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Automotive News

August 20, 1990

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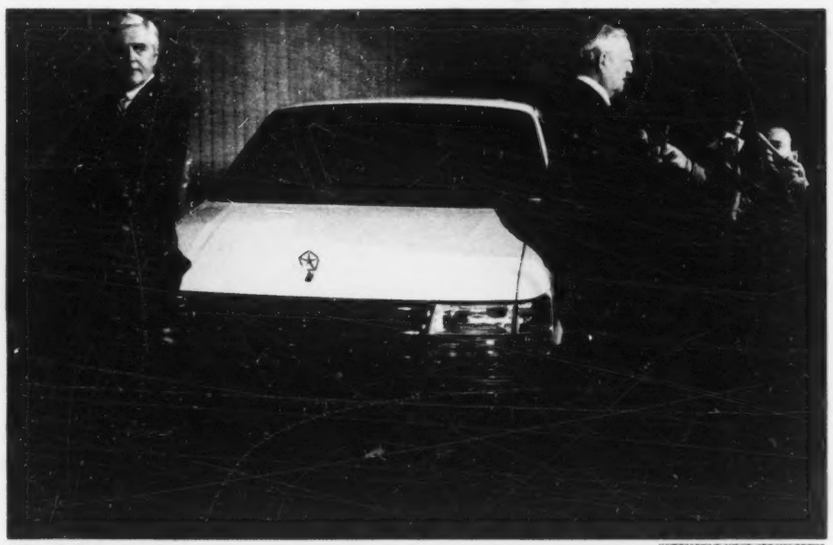


AUTOMOTIVE NEWS/JOE WILSKENS

Meet the press

Chrysler Motors President Robert Lutz, left, leans on the automaker's new 1991 minivan while Chairman Lee Iacocca, right, fields questions from reporters during introduction ceremonies at the Windsor, Ontario, assembly plant. Iacocca said Chrysler is still negotiating a possible partnership with Italian automaker Fiat, but talks with Renault and Volvo have ended. Story on Page 3.

Redesigned Taurus delayed; fwd set for big Ford cars

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. has changed directions on development of a new large-car platform, delaying new versions of Ford's popular Taurus and Sable models until the 1997 or 1998 model year.

In addition to the Taurus and Sable, a new front-wheel-drive platform will be used later in the decade to replace the automaker's big rear-wheel-drive cars — the Ford Crown Victoria, Mercury Grand Marquis, Lincoln Town Car and Mark VII.

Suppliers familiar with the new platform, code-named DEW98, said Ford is concerned about the weight of its older rwd platforms in the face of potentially tougher corporate average fuel economy standards.

"Ford sees itself in a CAFE crunch with its large, rear-wheel-drive platforms in the 1990s," said a high-ranking executive employed by a large vendor.

The DEW98-based Taurus and Sable are now scheduled to debut in the 1997 or 1998 model year, three years later than planned. The platform used for current models will be 11 or 12 years old by the time it is replaced, although the cars will have been reskinned twice.

Luxury cars based on the DEW98 platform, including the Lincoln Continental which is already fwd, will arrive after the new Taurus/Sable, according to suppliers familiar with the project.

As with any long-term project, plans could change with shifts in consumer tastes, company budgets and government regulations on fuel economy.

The new front-wheel-drive platform replaces a flexible car platform program, code-named DFC55, that was conceived in the late 1980s. DFC55 was to be a worldwide platform for both fwd and rwd intermediate and full-sized cars — everything from the Taurus to the Lincoln Town Car including mid-sized vans and Europe's Scorpio.

Under Ford's Centers of Excellence concept, the DFC55 strategy was to be developed by both Ford's North American and European au-

see WORLD CAR, page 47

East Germans on car-buying binge

Automakers scramble to establish networks; Golf is top seller

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Automakers are racing to set up dealer networks in East Germany, a market that has been far more robust than expected just a few months ago.

East German new-car buyers are also upsetting conventional wisdom by opting for bigger, more expensive models than had been forecast.

Volkswagen AG, Europe's No. 1 automaker, is leading the way in East Germany. It has signed agreements with 420 VW-Audi dealers and 150 Seat retailers. Every other major European maker either has dealers in operation or is about to appoint them. Most Japanese carmakers have gotten into the act, too, but on a smaller scale.

The companies will be trying to capture a piece of a market that is expected to quickly double in size. Estimates vary, but most projections foresee an East German market of more than 250,000 new cars in 1990, compared with an average of 150,000 annually over the past five years. Some forecasts go as high as 650,000 units by the mid-1990s.

"Demand for new cars in East Germany will more than double by 1995 and double again during the second half of this decade," according to *2001 — A German Vision*, a new report by the British research group Automotive Industry Data Ltd.

The report estimates that East German sales last year were 150,000 units and projects growth to 360,000 in 1995. It predicts that car ownership levels in West and

see GERMANY, page 45

OUTLOOK: *Dealer profits rise from depths of '89*

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

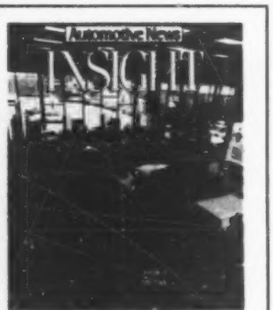
For franchised new-car dealers 1989 was a year to draw up the bridge and wait for the siege to end. The siege hasn't ended yet, but dealership profits this year are up slightly from last year's levels, largely because dealers are better controlling their inventories.

Aug. 1-10 unit sales fall 18%, Page 2

"The profit margin for an average dealership is up to 1.6 percent this year from 1.3 percent for the same time period in 1989," said Tom Webb, chief economist for the National Automobile Dealers Association.

Wear and tear was evident in nearly every aspect of the dealer-

see PROFITS, page 45



Quest for profits

Nothing can be overlooked as dealers are caught in a profit squeeze. Suggestions on how to improve the bottom line are featured in *Insight*, which follows Page 26.

1991 Escort, Tracer get 4.8% loans to spur sales

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. is trying to jump start the disappointing launch of its 1991 Ford Escort and Mercury Tracer with 4.8 annual percentage rate loans that range from 12 to 48 months.

Chrysler extends incentives, Page 48

The cut-rate loans on the redesigned 1991 Escorts and Tracers run from Aug. 9 to Sept. 3.

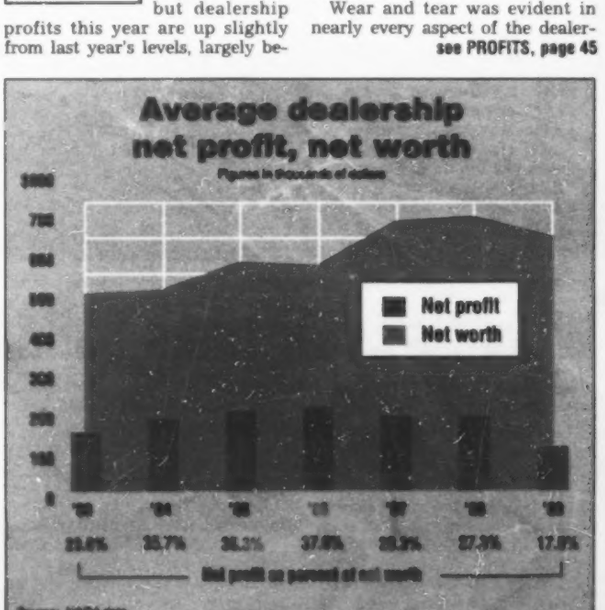
The Local Ford Dealer Advertising Fund groups are promoting the incentives because the programs are short and the groups can tailor programs to individual markets.

The reduced financing program is available nationwide, though in two geographic areas slightly different programs are offered.

Buyers of 1991 Tracers and Escorts in the Boston, New York and Philadelphia districts and southern Delaware have a choice of either low-interest loans or $500 in customer cash. The customer cash program in those areas runs from Aug. 15 to Sept. 3. Dealers in the Seattle district receive $900 in dealer cash for each 1991 Escort sold.

Ford has been reluctant to offer

see ESCORT, page 47



NEWSPAPER

IN

small cars, idle, and Page 46.

GM

Sales go to the dogs

Middle East fears tip early August dive

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

The first 10 days of August were a disaster for domestic carmakers as vehicle sales nosedived 18.38 percent from last year.

Chrysler Corp. Chairman Lee Iacocca, speaking at a press briefing in Windsor, Ontario, last week, said auto sales slumped as economic fears rose on the heels of the Middle East crisis.

"The industry is in the tank," Iacocca said, "the whole industry. Somebody stopped buying something in a hurry in the last 10 days."

Chrysler spokesman Tom Houston said the year-to-year sales comparison also is skewed somewhat because automakers offered heftier consumer incentives at this time last year due to larger inventories. Those heftier incentives stimulated the market. The Aug. 1-10 period had nine selling days this year and last.

A total of 245,785 cars and trucks were sold in early August, with only two companies, Mazda and Toyota, posting gains for the period. Total car sales fell 20.39 percent, truck sales were off 15.02 percent.

Iacocca said it is unclear how long the economic uncertainty will last.

"I hope not more than another two weeks. But that is living in hope. It could last six months. I don't know," he said.

Transplant automaker Nissan, which produces the Sentra in Smyrna, Tenn., suffered the biggest overall drop.

Nissan's car sales declined 33.13 percent, and truck sales fell 34.46 percent for a combined loss of 33.85 percent. Chrysler's combined sales were down 31.08 percent.

Honda, which hasn't experienced a year-to-year sales decline since the final 10 days of April, saw its sales plummet 15.39 percent; Mitsubishi's sales dropped 18.56 percent.

All of General Motors' divisions posted year-to-year sales declines. At Cadillac, only Allante notched a sales increase from last year. Cadillac retail deliveries plunged 41.58 percent. Oldsmobile wasn't far behind with a 41.39 percent drop. Chevrolet, led by Geo Prizm and Lumina, limited its decline down to 7.76 percent, the smallest among any of the domestically-produced car makes.

Ford Motor Co.'s Lincoln brand was up 15.81 percent for the 10-day period, but Ford's overall car sales were down 20.26 percent. Ford continues to have problems with its entry-level Escort car line. Escort sales in early August dove 40.15 percent. Taurus was the only Ford make with increased deliveries; all Mercury nameplates were down.

Mazda's sales, buoyed by its 626 line, skyrocketed 105.83 percent. Toyota's sales rose 64.30 percent.

Truck sales were down across the board. Nissan, again, had the biggest year-to-year decline. Sales of domestically-produced light-duty trucks totaled 95,907 in early August, off 15.02 percent from 112,858 last year.

Chrysler truck sales in early August were off 22.50 percent, GM's were down 18.46 percent and Ford's fell 4.02 percent.

10-DAY SALES
DOMESTIC BUILT CARS

	August 1-10, 1990	August 1-10, 1989
Eagle	1,504	1,775
Chrysler	3,198	3,505
Dodge	6,782	11,212
Plymouth	4,183	9,023
CHRYSLER MTRS.	**15,667**	**25,515**
Ford	32,318	40,530
Lincoln	6,095	5,263
Mercury	8,957	13,610
FORD MOTOR	**47,370**	**59,403**
Buick	10,671	14,319
Cadillac	3,910	6,693
Chevrolet	29,890	32,404
Oldsmobile	9,034	15,415
Pontiac	12,106	15,479
GENERAL MTRS.	**65,611**	**84,310**
HONDA	**7,617**	**9,002**
MAZDA	**1,624**	**789**
MITSUBISHI	**891**	**1,094**
NISSAN	**1,968**	**2,943**
SUBARU	**557**	**—**
TOYOTA	**8,573**	**5,218**
U.S. CAR TOTAL	**149,878**	**188,274**
TRUCKS		
Chrysler	65	75
Dodge	9,290	11,045
Jeep	4,654	6,950
Plymouth	3,330	4,302
CHRYSLER MTRS.	**17,339**	**22,372**
FORD MOTOR	**34,250**	**35,685**
Chevrolet	32,379	41,209
GMC	8,071	10,089
Oldsmobile	595	—
Pontiac	785	—
GENERAL MTRS.	**41,830**	**51,298**
ISUZU	**192**	**—**
NISSAN	**2,296**	**3,503**
U.S. TRK. TOTAL	**95,907**	**112,858**
U.S. CAR-TRUCK TOTAL	**245,785**	**301,132**

There were 9 selling days in the period this year and 9 last year.

Poll finds gas costs spur drive time cuts

By Scott Hume
CRAIN NEWS SERVICE

Consumers already are cutting down on their driving in response to the sudden surge in gasoline prices, and even more dramatic changes can be expected if gas prices don't come down.

An exclusive survey last week showed the double-digit jump in gas prices that followed the Iraqi invasion of Kuwait could cause much greater reductions in driving in the future. The survey was conducted by the Gallup organization for *Advertising Age*, a sister publication to *Automotive News*.

Nearly one of five adults surveyed (19.4 percent) said they already have reduced their driving since the Middle East crisis began.

If gas pump prices stay at the levels they reached in the past two weeks, the determination to cut back on car travel will substantially increase, the survey shows.

Amid indications that consumers are increasingly pessimistic about the economy and the nation's ability to avoid a recession, the survey shows how quickly economic reversals can trigger changes in consumer behavior.

Already suffering is non-essential travel for discretionary spending. While 12 percent of those surveyed said they have cut travel for entertainment, such as going to films, the theater or sporting events, 38.3 percent say they expect to cut back in this area over the next few months if gas prices remain high.

With the summer winding down, the travel and tourism industry enjoyed some of its heaviest months before the gas crisis hit, and only 8 percent of the sample said it has reduced vacation travel since the Iraqi invasion.

But if gas prices remain at current levels, the share of the audience expecting to cut back on vacation travel jumps to 39.4 percent, including at least one-third of all age groups.

Consumers are worried enough by the situation to rethink travel for social outings. Already, 12.4 percent said they have cut such travel. More than triple, 42.3 percent, expect to cut social travel unless gas prices improve.

Gallup's survey for *Ad Age* was conducted Aug. 15. A random, national selection of 515 persons age 18 or older was interviewed by phone.

Outsourcing sparks threat of strike at 2nd GM plant

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Just as General Motors regroups from a week-long strike at a parts plant in Flint, Mich., it may face a strike in Lordstown, Ohio.

Dave Kimmel, president of UAW Local 1714 which represents 2,650 workers at the GM stamping plant in Lordstown, said 97 percent of the membership there voted to follow Flint if they can't resolve local issues. "It all depends on progress; we're on a week-to-week basis," Kimmel said.

One complaint at Lordstown is outsourcing, the same issue that sent 3,200 workers at Flint's AC Rochester West complex to the picket lines for six days.

The Flint strike was settled Aug. 14 when GM agreed to a five-year pact that guarantees no job losses.

Lordstown's contract expires Sep. 14, the same day that national pacts with GM, Ford Motor Co. and Chrysler Corp. expire.

UAW leadership says outsourcing is a key national issue.

Kimmel said the local has the support of the national union and may issue a five-day notice to strike before the contract expires.

The Lordstown plant provides stampings for the Chevrolet Cavalier, the Pontiac Sunbird and GM's full-sized and compact vans. It also

see STRIKE, page 47

'92 Lexus uncovered

Toyota will add more fuel to its successful Lexus line in mid-1991 when it introduces a V-8-powered coupe.

Two versions of the car are known to be planned.

- The 1992 SC400, pictured in white, will pack a 4.0-liter, 32-valve V-8, the engine currently used in the LS400 sedan. The front grille and head/fog lamp design on the car pictured here is expected to be slightly restyled for the U.S. version.
- The SC300, captured in dark blue, will be equipped with a 3.0-liter in-line six-cylinder engine and will go on sale some time after the SC400 is introduced, sources say. The front end of the blue test car is highly camouflaged and shows considerable nicks and scratches.

The Lexus coupe is expected to be based on Toyota's redesigned Supra.

— Rick Kranz

GM seat belts under siege

By Greg Bowens and Wes Brown
SPECIAL CORRESPONDENTS

The three-point, non-motorized, door-mounted seat belt system installed on 5.5 million cars built by General Motors is under fire.

The Center for Auto Safety has petitioned the National Highway Traffic Safety Administration to investigate the system, which has been in use since the 1987 model year on as many as 23 car models.

NHTSA has 120 days to respond to the request. If granted, it will be the third time in less than a year the administration has investigated GM's passive restraint system. The initial probes involved reports of the belts breaking during impact.

The new request focuses on allegations that the belt does not securely hold occupants inside a vehicle involved in an accident where doors open, allowing occupants to be thrown from the car.

In a letter to NHTSA Administrator Jerry R. Curry, center executive director Clarence Ditlow said he had received reports of eight accidents resulting in four deaths and five injures involving GM cars with door mounted belts.

GM said all of its cars' belts and door latches meet or exceed federal requirements. GM spokesman W. Grey Terry said the problem of doors opening in an accident can be minimized by locking them as the owner's manual advises.

Canada's Ministry of Transportation also is investigating the GM restraint system, according to Murray Dancer, a ministry occupant protection specialist.

Correction

Horsepower ratings in an Aug. 13 article on the Acura NSX were transposed. The manual transmission version has 270 hp; the automatic has 252.

Wary Navistar trims build, shuns Mack

By Joseph Bohn
TRUCK EDITOR

Navistar International Corp. reported a modest $6 million profit in its fiscal third quarter ended July 31, but has lowered its forecast of North American medium- and heavy-truck sales.

The company plans production cutbacks, and its interest in acquiring Mack Trucks has waned.

Navistar's $6 million profit for its third quarter ended July 31 was down 78.57 percent from $26 million last year.

Navistar reported a net loss of $4 million for the first nine months of fiscal 1990 July 31, compared to a $100 million profit a year ago.

The company lowered its forecast of North American medium-duty retail sales for fiscal 1990 to 150,000 units, 3,000 fewer then previously forecast — and 5.66 percent below the 159,000 sold in fiscal 1989.

It now also projects heavy Class 8 truck retail sales demand at 140,000 units, 2,000 units less than than before, and 18.60 percent below the 172,000 of a year ago.

Navistar shut its Springfield, Ohio, and Chatham, Ontario, plants for five days last year for inventory adjustment.

It plans to shut Chatham for an additional 10 days in September. Springfield's medium-duty assembly line will be shut for five days in October.

Schedules at Chatham also will

see NAVISTAR, page 48

Porsche gives 944 Tiptronic automatic to boost U.S. appeal

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

STUTTGART, West Germany — In a critical marketing move for the United States, Porsche AG will introduce its innovative new Tiptronic automatic transmission on the 944 range for the 1992 model year.

The racing-derived Tiptronic, which was introduced on the 911 Carrera 2 last year, permits automatic or clutchless manual shifting.

Porsche ups output at factory, Page 24

Hans Halbach, Porsche's executive vice president for sales and marketing, called the lack of an automatic on the 944 convertible "a major problem."

Its arrival will give an additional boost to Porsche in the United States, where buyers tend to favor automatics. After three years in decline, Porsche's U.S. sales are rising this year.

The sinking U.S. dollar restrains short-term prospects for the parent company. But because less than 30 percent of its sales come from the U.S. market, the company is far less vulnerable to currency shifts than it once was.

The lack of an automatic on the Porsche 944 has hindered U.S. sales, Hans Halbach says.

Halbach said the lack of an auto-

see PORSCHE, page 24

Chrysler limits partner talks to Fiat

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Corp. apparently is pursuing wide-ranging talks only with Italy's Fiat Auto S.p.A. as it seeks a partner for a global alliance.

It was widely reported last week that Chrysler is also talking to Volvo AB and Regie Nationale des Usines Renault S.A. But the company has appeared to signal that those discussions have ended.

Clarifying comments made by Chrysler Chairman Lee Iacocca to reporters in Windsor, Ontario, last week, the company indicated that talks only with Fiat are ongoing.

Chrysler said its discussions with Fiat include "a variety of possible business combinations between the two companies as well as possible commercial arrangements."

When asked if the talks might include Fiat purchasing an equity stake in Chrysler or a distribution agreement between the two companies, a Chrysler spokesman said, "Nothing is being ruled out."

AUTOMOTIVE NEWS JOE WILSSENS

Chrysler's minivan will become a product "staple" in Europe within five years as the market rapidly expands, Chairman Lee Iacocca predicted.

Chrysler issued the statement after a press briefing in which Iacocca appeared to rule out the possibility that a foreign company would buy a stake in Chrysler.

The company statement described Chrysler's talks with Volvo and Renault in the past tense.

While speculation about a Chrysler-Fiat link-up has persisted throughout the summer the nature of the discussions is unknown.

Scenarios range from the possibility of Fiat taking an equity stake in Chrysler to the two automakers making distribution and product-development agreements in North America and Europe.

In June Chrysler terminated a $500 million, 50/50 joint venture with Renault to produce and distribute a sport-utility code-named JJ, fueling speculation it would seek a new European partner.

Iacocca's comments were made at a ceremony at Chrysler's Windsor assembly plant marking the launch of its 1991 minivans.

German makers look for ways to soften blow of dollar's plunge

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The 20 percent fall in the value of the dollar against the German mark in the past 11 months has intensified pressure on West German carmakers exporting to the United States.

The dollar hit a post-World War II low of 1.56 marks last week. The development has prompted speculation about how German companies might limit exposure in the United States short of withdrawal — an option companies and industry analysts clearly rule out.

"They aren't going to pack up and come out," said West German specialist Stephen Reitman of UBS Phillips & Drew in London. "But this does actually hurt them quite considerably."

The exchange rate could have an important effect on the 1990 earnings of Daimler-Benz AG, Volkswagen AG and to a lesser extent BMW AG. Porsche AG bore the brunt of U.S. overexposure three years ago. With a much lower dependency on the United States today, it is seeing global profits rise.

Reitman projects declining net earnings per share this year for both Daimler and VW, with the dollar a major reason. He said BMW is still offsetting the currency situation with improving efficiency at home and a richer model mix.

"The dollar's continued fall obviously puts extreme pressure on the German carmakers in the U.S.," said Edmund Chew of DRI Europe in Frankfurt. "The Japanese luxury carmakers are already putting considerable price pressure on them."

Lawson said every 10 pfennig (6.2 cents) drop in the dollar is equal to a 90 million mark ($57 million) penalty in net profits for VW. According to Reitman, the impact on Daimler's bottom line translates to about 30 million marks ($19 million) in profits for every one cent movement in the exchange rate.

> "The dollar's continued fall obviously puts extreme pressure on the German carmakers in the United States."
>
> **Edmund Chew**
> DRI Europe

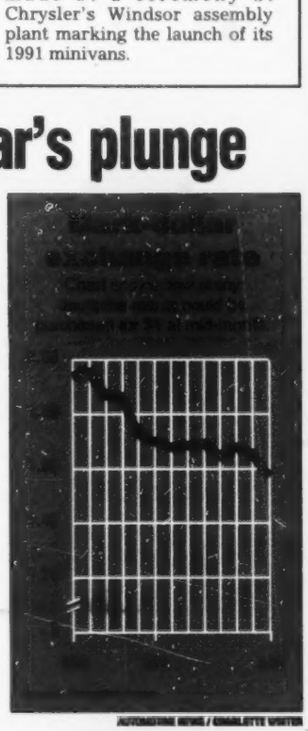
Analysts say European makers have been shielded from the exchange rate movement during most of the past year by having purchased forward contracts for dollars in 1989 at a higher rate. But the sharp decline over the last year means that those positions are gradually expiring — exposing the Germans' U.S. operations to much lower dollar rates.

Companies can lessen exchange rate losses by buying several months' worth of foreign currency when rates are more favorable. The system is widely referred to as hedging. Such reserves can be used by importers to pay for goods when the producing country's currency increases in value.

Reitman said those hedging positions are now "unwinding."

But analysts agree that BMW and Mercedes, each with about 15

see DOLLAR, page 45



AUTOMOTIVE NEWS / CHARLETTE WHITEN

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U.S.-built Accord still an 'import' despite content shift

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Even though Honda's U.S.-built 1991 Accords will have enough North American content to qualify as "domestic" cars, the Accord line will still be classified as "imports" under U.S. fuel economy rules.

The Accords will keep the import label because under EPA rules, a car's status as an import or domestic model is determined by averaging the "domestic content" of all Accords sold in the United States, whether imported or built here.

Automotive News erroneously reported in its April 2 and Aug. 6 issues that U.S.-built 1991 Accords would be counted in a separate domestic fleet because they will reach the 75 percent North American content level this fall. The reports were based on information provided by the EPA's Certification Division in Ann Arbor, Mich.

Under U.S. fuel economy rules, automakers' car fleets fall into "domestic" and "import" categories. The designation depends on how much North American content the cars carry, not where they are built. Both groups must average 27.5 mpg.

Until this year, U.S.-built Hondas and Hondas shipped from Japan were counted as imports because each had less than 75 percent North American content. It appeared that by crossing the 75 percent threshold, the Accord would become the first Japanese-badged model to fall into the domestic category.

A reclassification would have been significant because the Accord — at least the 1990 version — averaged less than 27.5 mpg. If it were alone in a new Honda "domestic" fleet, its CAFE rating could not have been offset by other, more fuel-efficient Hondas.

Officials at Honda and the EPA admit their own staffs have had trouble grasping the rules. And the Association of International Automobile Manufacturers (formerly Automobile Importers of America) has asked the EPA for a clarification on some points.

The issue will become more pertinent as other Japanese automakers cross the 75 percent domestic content mark in coming years. They include the Nissan Sentra, built in Smyrna, Tenn.; Toyota Camry, built in Georgetown, Ky.; Toyota Corolla, made in Fremont, Calif.; and Subaru Legacy, made in Lafayette, Ind.

The Accord's coupe and sedan versions will be the first to hit the 75 percent mark. Later in the 1991 model year, the new Accord wagon will qualify. The four-door Civic will reach the mark in the 1992 model year.

But the Accord's domestic content for CAFE purposes will be determined by averaging all Accord models sold in the United States. Honda is on track to build more than 300,000 U.S. Accords this year; approximately 125,000 are shipped from Japan annually with minimal North American content.

EPA policy does allow Honda to petition if it wants to count the Marysville cars as domestic.

The addition of an Accord station wagon this year raised another question for the manufacturer. For most purposes, wagons are treated separately from the rest of a car line by the EPA. It will not be imported from Japan.

George Nield, president of the Association of International Automobile Manufacturers, asked EPA last year for a clarification. Nield was told by Richard Wilson, director of the office of mobile sources, that "the EPA agrees that station wagons are to be included with their related car lines for purposes of determining domestic content."

SERVICE MANAGEMENT

Ford offers dealers tools to boost service capacity

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich — The lack of dealership service capacity is a widespread problem that can threaten the wave of hard-gained successes dealers and automakers have been riding in recent years.

To head off this threat, Ford Motor Co.'s Parts and Service Division has developed several tools to help Ford and Lincoln-Mercury dealers identify and deal with service capacity problems.

According to Kenneth W. Myers, parts and service marketing manager for Ford Parts and Service Division, the decline of adequate service capacity at Ford Motor dealerships can be attributed to increased vehicle sales, increased units in operation, longer warranties, continuing growth of Ford's Extended Service Plan, new vehicle technology and a decline in the number of full-service stations and independent service shops.

"All these factors combined with our efforts to get dealers to treat customers better and to build an image as a better service place has created this capacity problem throughout the country by bringing more service business to dealerships," Myers said. "Dealers are getting a larger share of the repair business because vehicle technology has advanced beyond the independents' ability to service.

"Ten years ago or so, service stations could give tuneups on a fuel-injected car, but those vehicles can't be worked on in most stations and independent shops now. Plus, there are half as many service stations today as there were 10 to 12 years ago."

These factors, Myers said, led the division to try to determine how it could make dealers aware that they still may have service problems and what they could do to solve them. Among the signs of trouble in the service department are unacceptable waiting periods for service; long lines for service writeups; loss of "plus-business" (oil changes, front-end work and other jobs that make happy technicians and fat margins); sales to quick service facilities; lack of service salesmanship; employee burnout and turnover; and low and declining Ford Quality Commitment Performance scores.

Kenneth W. Myers: "Dealers are getting a larger share of the repair business because vehicle technology has advanced beyond the independents' ability to service."

To help Ford and individual dealerships identify problem areas in service capacity, the division developed the Service Capacity Analysis Measurement Program, a computer-based system for analyzing service capacity in both individual dealerships and market areas.

The specific evaluation and reports that are available from the measurement program include:

- Dealership's service capacity status and output.
- Projection of a dealership's future capacity requirements — a look ahead at how service capacity may change in relation to potential sales growth.
- Projection of future service capacity status — a look at a dealership's potential ability to provide adequate service capacity under a variety of conditions.
- Evaluation of effects of changes on a dealership's service resources — an analysis of how implementing service-capacity changes may affect a dealership's ability to meet customer service requirements.

To many dealers, according to Ford, the answer to adding service capacity is to build additional service bays. The "brick and mortar solution," the division said, should be the dealer's last resort.

To help dealers evaluate potential solutions that add service capacity without the need for building additional service bays, Ford Parts and Service Division created a helpful manual, *Maxxed Out? Service Capacity Alternative for Increasing Customer Satisfaction.* The publication is based on research conducted with dealers across the country who have successfully increased service capacity.

"The manual is a practical guide to facility alternatives that have worked in a wide range of dealership sizes, labor markets and facilities," Myers said. "Alternatives involve both productivity enhancing improvement programs."

Alternatives covered include:

- Teams systems — ways to reorganize current service employees for increased productivity and responsiveness to customer needs.
- Automated schedule and loading — computer-based methods to increase productivity and efficiency through improved time management and work-flow scheduling.
- Second shifts — how to use a second shift to increase a service department's labor output.
- Extended service hours — innovative approaches to freeing service bays.

Service index up 7% in first half

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Despite a decline in June, new-car dealers' service and parts business for the first half of 1990 recorded a healthy gain over the same period a year ago.

According to the Automotive News Service Index, shop volume in dealerships for the January-June period amounted to 107.0 percent of the business for the same year-earlier period.

June's volume dipped to 99.3 percent of the total recorded in the same year-ago month, marking the dealers' first negative showing of the year.

All five indicators used in the Service Index recorded gains in the first six months of 1990. In June, all indicators, except repair orders written, were below volume achieved in the year-ago month.

SERVICE INDEX
99.3★

	June '90 vs. June '89	Jan.-June '90 vs. Jan.-June '89
Gross Profit on All Labor and P&A Sales	– 1.5%	+ 5.6%
Repair Orders Written	+ 0.7%	+ 0.5%
Total Labor Sales (Customer & Warranty)	– 6.6%	+ 6.7%
Shop Parts Sales (Customer & Warranty)	– 1.9%	+ 6.7%
Sales of All P&A	– 2.8%	+ 7.0%

★ Survey by Automotive News shows that dealers' service and parts business in June 1990 was 99.3 percent of business in June 1989. Service business in the first 6 months of 1990 was 107.0 percent of business in the corresponding period in 1989.

Gross profit on all labor, parts and accessories — the most important indicator to dealers — gained 5.6 percent over the previous six-month period. In June, profits were down 1.5 percent.

Repair orders written were up 0.5 percent for the half year and 0.7 percent for June, while total labor sales (customer-paid and warranty) were up 6.7 percent for the six months and down 6.6 percent for the month.

Shop parts sales (customer-paid and warranty) advanced 6.7 percent for the first half of 1990 and declined 1.9 percent for the month, while sales of parts and accessories climbed 7.0 percent for the January-June period and dipped 2.8 percent for June.

Figures used in the Service Index are compiled from monthly reports on service and parts operations from a cross-section of the nation's new-car dealerships.

Nissan cited for service to college

Jerry Butts, left, vice president of the Parts and Service Division for Nissan Motor Corp. in U.S.A., receives a plaque from Dr. Kim Badrkan, dean of instruction at Long Beach (Calif.) City College, recognizing Nissan's contribution to the college's automotive technology program. Nissan donated a Infiniti Q45 and $6,500 in scholarship funds for students in the program.

Cadillac axes '91 warranty deductibles

DETROIT — Cadillac has eliminated the deductible from the warranties covering its 1991 models.

Cadillac has notified its dealers that the warranty on all Cadillac models, except Allante, will no longer require the $100 deductible for any repair after the 1-year/12,000-mile coverage expires. A similar, $25 deductible also has been eliminated from the Allante warranty.

All other General Motors divisions will continue to charge owners of 1991 vehicles the $100 deductible per repair visit after the 1-year/12,000-mile coverage expires.

SERVICE BRIEFS

APAA offers fair package

LANHAM, Md. — The Automotive Parts and Accessories Association is organizing a U.S. Pavilion at Equip Auto '91 in Paris for manufacturers preparing to have a presence in the European market in the 1990s.

As the largest European automotive trade fair, the Automotive Parts and Accessories Association said Equip Auto features a broad range of products, both original equipment and aftermarket.

The Automotive Parts and Accessories Association offers booth packages for exhibitors in the pavilion that includes 10-by-10-foot booth space, furniture, electrical outlets, directory listings, promotion, and assistance with travel and shipping arrangements for $3,600. For more information, call (301) 459-9110.

Scholarships expanded

CHICAGO — Three additional schools have been invited to join an expanded Automotive Service Industry Association Scholarship Fund Program beginning with the 1990-91 school year.

According to the association, scholarship awards will go to students at Ferris State University, Big Rapids, Mich.; Southern Illinois University, Carbondale, Ill.; and Oklahoma State University Technical Branch, Okmulgee, Okla. The three join Northwood Institute, Midland, Mich., and the University of Southern Colorado, Pueblo, Colo.

The expansion of the 16-year-old fund was made possible by a $330,000 gift by the former Southern Automotive Show directors.

Managers elect Hoffman

AKRON, Ohio — The Automotive Training Managers Council has elected William F. Hoffman, principal program designer of the Sales Training Division for Goodyear Tire & Rubber Co., to succeed Janine M. Sine of TRW Inc. as its president.

SEMA picks Ford truck

DIAMOND BAR, Calif. — The Ford F-150 pickup has been selected as the official truck of the 1990 Specialty Equipment Market Association/Auto International Show scheduled for Las Vegas Oct. 9-12.

The joint announcement was made by Charles R. Blum, Specialty Equipment Market Association president, and Jerry Green, special events manager, Ford Special Vehicle Operations. The F-150 will be customized during the show and will be the grand prize in a raffle benefitting the Specialty Equipment Market Association Scholarship Fund and Automotive Foundation for the Aftermarket.

General adds to test area

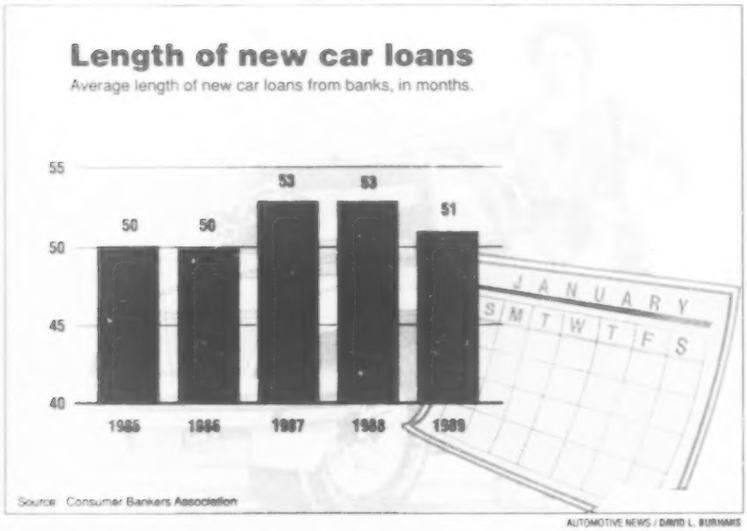
UVALDE, Texas — General Tire Inc. has expanded the testing capabilities at its 5,000-acre proving ground here by adding a vehicle dynamics area.

The new area consists of two courses — one for wet handling and one for dry handling. The wet course is nearly 15 acres, while the dry handling pad is a 1.1-mile course full of curves, turns and bends.

Lead levels decline

NORTHBROOK, Ill. — Occupational exposure to dangerous levels of lead within the radiator repair industry is on the decline, according to the "Radiator Reporter," an industry newsletter published by the Consulting Service Division of Runzheimer International.

Average blood lead levels of people in the radiator industry peaked at 47 micrograms per deciliter in 1982 and have declined ever since to the 1990 level of 32 micrograms per deciliter.



BANK LOANS FOR NEW CARS SHORTER IN 1989

The average new-car bank loan dropped to 51 months last year from the 53 months it stood at in 1988 and 1987, says the Consumer Bankers Association.

Recent figures from the Arlington, Va., group indicate the overall maximum length offered for new loans in 1989 also was shorter, 63 months compared with 65 months in 1988.

The average portfolio turnover was 38 months for new cars, compared to 32 months in 1988, says the association.

In 1989, 59 percent of all loans were paid off early, compared with 61 percent in 1988.

The association found there was little change in the overall approval rate in 1989; it was at 56 percent compared with 57 percent in 1988 and 59 percent in 1987.

The average percentage of loans 31 to 59 days late in 1989 increased to 1.61 percent from 1.31 percent a year before, the consumer banking group's study showed.

The study found the average lease approval rate was 58 percent, a decrease from 1988's 62 percent average rate.

The length of the average new lease has extended in recent years. In 1989, the average open-end lease was 48 months, while the average closed-end lease was 50 months.

Average turnover for the total portfolio, says the association, remained constant at 37.2 months last year. In 1989, the figure was 35 percent for all leases terminated early, compared to 30 percent in 1988 and 27 percent in 1987.

The average open-end lease portfolio held by lessors was approximately one-third as large as the average closed-end portfolio, at 1,917 vehicles and 6,409 vehicles respectively.

Indirect lending is becoming the norm for banks, according to the association's researchers, who surveyed institutions with average portfolios of 10,315 direct auto loans and 32,030 indirect loans.

Direct loans are those made with the car buyer going directly to the bank. Indirect loans are made through the dealer. It is felt indirect lending is increasing because it is the more convenient of the two techniques.

The overall average of direct loans in the portfolio continued to increase to 34 percent at year-end 1989 from 28 percent in 1988 and 31 percent in 1987. There was an average 9 percent increase in the size of indirect loans made.

The Consumer Banking Association, founded in 1919, represents about 800 federally insured banks and thrift institutions that hold about 80 percent of all consumer deposits and close to 70 percent of all consumer credit held by federally insured depository institutions.

MICHIGAN PROMOTES BATTERY RECYCLING WITH DEPOSITS

Disposal of dead batteries has long been a headache for service managers. The tough, heavy items of lead, plastic, rubber and acid present an ugly picture as they aren't picked up frequently by scavengers.

Now, however, 23 states, two counties and some cities have specific battery recycling laws and 14 states have legislation under consideration.

One of the most recent movers, Michigan, has legislation in effect that regulates the disposal of out-of-action lead-acid batteries.

The law, which became effective last April, carries a stipulation for a $6 deposit which does not go into effect until January 1993.

The law makes it illegal to dispose of spent lead-acid batteries except to automotive wholesalers, secondary lead smelters or state-authorized collection or recycling facilities.

Battery distributors are required to accept spent batteries from retailers in a quantity at least equal to the number of new lead-acid batteries sold by the distributor to the retailer. Distributors must move the old batteries from the point of collection within 90 days of receiving them.

Johnson Controls of Milwaukee, the big battery maker, says after Jan. 1, 1993, Michigan retailers either have to take a $6 deposit on each battery sold or to collect a used battery. The customer will be given a voucher for the $6 and can convert that into cash later by bringing an old battery to the retailer or a recycler or smelter.

Things are much tougher under the law in Suffolk County, N.Y., where retailers have to collect — at the time of purchase — two batteries similar in design to the one sold.

GM BREAKS UP BRAKE BUSINESS AS USE OF ABS EXPANDS

There are major changes being made in how General Motors' car and truck antilock brake systems are made and in who makes them.

Saturn, Pontiac, Oldsmobile and Buick dealers this fall, for example, will sell small cars equipped with a radically different anti-lock braking system with electric motors that control brake pressure.

The ABS-VI system, from General Motors' Delco Moraine NDH division, is key to General Motors' plans to install ABS as standard equipment on all cars and light trucks GM sells in North America by the 1994 model year.

The ABS-VI technology is much less expensive to build than conventional ABS — reportedly $250 per vehicle for ABS-VI, compared to $900 to $1,200 for most currently marketed systems.

Robert Bosch Corp., ITT Teves Co. and Kelsey-Hayes Co. have secured the antilock brake business on General Motors car and light truck platforms not captured by Delco Moraine NDH .

Bosch and Teves will experience major increases in volume in the 1991 model year as ABS becomes standard equipment on the platforms they supply.

Next model year is when three suppliers will divide the ABS business on the remainder of GM's cars and light trucks — with all of their systems becoming standard equipment in 1991.

The two suppliers this year begin providing GM with less costly add-on systems which get power from engine vacuum. They had been supplying costly integrated systems which derived power boost from a hydraulic pump.

Bosch has been supplying the ABS for the Chevrolet Corvette and B-platform Caprice, along with the Cadillac Allante and Brougham. Bosch's new business at GM begins to come on line in 1991 with remaining B platform cars — Caprice Wagon, Olds Custom Cruiser Wagon, and Buick's Electra and LeSabre wagons. Bosch also gets the 1992 B-platform Buick Roadmaster.

Also in 1991, the E-K platform changes from a Teves integrated system to a Bosch add-on unit, while the Cadillacs built off the C platform make the same switch.

Teves keeps the Buick Reatta, H platform cars and the non-Cadillac C-cars, and gains additional volume because its new add-on system will be standard on those vehicles.

Kelsey already supplies standard ABS on nearly all of GM's light trucks, although most of those systems are for the rear wheels only.

The M vans got Kelsey's four-wheel ABS standard in 1990, and the supplier will have all of its rear-wheel business at GM go to four-wheel by 1994.

The APVs, which debuted in 1990 without ABS, are the only light trucks that Kelsey will not supply at GM.

CAR CARRIER COULD REDUCE IN-TRANSIT DAMAGE

Railroads, truckers and the car and truck makers keep right on plugging away at the problems of in-transit damage to increasingly costly vehicles.

Among the latest efforts to cure the headache that's been with the industry virtually since Day One is a SMART rail car prototype being tested by the Union Pacific Railroad.

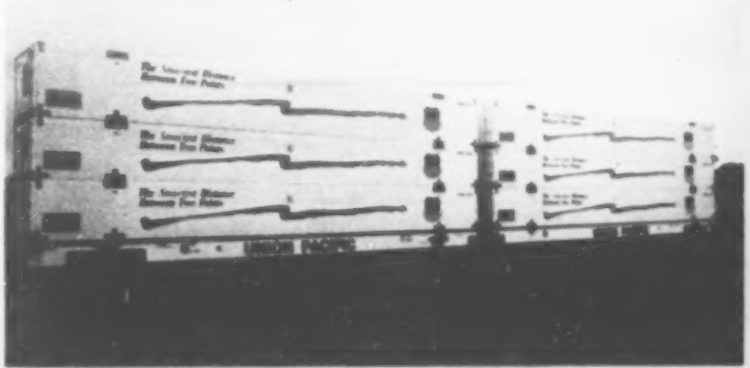
The car is a double-stack or triple-stack air tight container system made of composite modules riding on a two-unit articulated spine car. The modules are 53 feet long and 102 inches wide.

In this configuration, the overall rail car length is 110 feet with a deck height of 38 inches. Usually, car-carriers are fabricated steel racks attached to intermodal flatcars.

"The smart car developed by the UP was designed to be a new and total system for transporting automobiles," says Rex A. Peck, freight car manager for the big rail line.

"We wanted to offer the auto industry a flexible auto carrier which could respond to varying market demands without requiring major modification or equipment idling. We also wanted it to anticipate the future needs of door-to-door transportation," says Peck.

The car is designed to travel safely at speeds up to 80 mph. And, says Peck, the SMART car offers superior reliability, stability, suspension response and tie-down performance. Vehicles being transported are less accessible to vandals, thieves and unauthorized riders. "This means the vehicles arrive at their destinations in excellent condition," says Peck.



Union Pacific's SMART rail car uses air-tight containers to protect vehicles from being damaged in transit.

JOE WILSSENS

Geo vehicles have been an important addition to the product line at James Chevrolet in Mt. Clemens, Mich. The dealership ranked second in the state for sales in July, according to Brisk Storm and Tracker research.

Profit Motive

Sluggish sales are squeezing profits even tighter. Most see a rebound soon, but cost-cutting remains a top priority

AVERAGE DEALER PROFILE

	YTD March 1990	YTD March 1989	Percent Change
Total Sales	$2,997,518	$2,905,517	3.2
Total Gross	455,155	426,796	4.3
Total Expense	408,437	261,217	1.4
Net Profit Before Taxes	45,447	31,799	42.9
New Vehicle Sales	2,815,735	1,801,868	0.8
Used Vehicle Sales	734,418	692,922	6.0
Service and Parts	447,365	410,726	8.9
Floor Plan Interest	28,076	30,883	– 9.1
Advertising Expense	35,456	38,479	– 7.3
Rent & Equipment	38,726	35,281	4.1
Ave. New Vehicle Selling Price	15,646	15,198	3.0

SOURCE: NADA

Editor's note: NADA's Optimism Survey discussed here was conducted prior to the outbreak of hostilities in the Middle East. The association's chief economist, Tom Webb, says it would be difficult to quantify the conflict's dampening effect on dealer attitudes, but believes it would be substantial. The survey is part of NADA's quarterly financial survey of dealers. Another survey report is expected in October.

Despite a sluggish market, auto dealers of all franchises registered an upward blip in optimism regarding the outlook for profit and sales in the last half of this year.

The National Automobile Dealers Association optimism index, based on a quarterly survey of membership, shows 33 percent of dealers expect profits to rise in the last half of 1990.

That represents a 3 percent jump from January 1990, and the third consecutive increase in as many quarters.

The survey measures dealer attitudes on profitability and the state of the economy.

Holding steady from January 1990, 46 percent of the dealers polled anticipate no major change in the profit and sales picture, while 21 percent foresee a decline.

The majority of dealers see only a marginal improvement in bottom-line profits.

For the first time in two years, the NADA survey shows dealers selling General Motors cars and trucks are as optimistic as import dealers. Thirty-five percent of all GM and import dealers anticipate improved profits.

In contrast, only 31 percent of Ford Motor Co. dealers and 29 percent of Chrysler Corp. dealers expect profits to improve.

The nation's large-volume franchised dealers voiced greater optimism than smaller dealers — 35 percent versus 29 percent — "reflecting their ability to bounce back more quickly after setbacks," according to the survey.

Despite somewhat increased optimism about their own businesses, only 10 percent of dealers surveyed expect the nation's economy to improve, while 25 percent look for a bleaker economic climate in the remainder of this year.

NADA Chief Economist Tom Webb expects the economy will have bottomed out in the second quarter of 1990, as the full effects of a depressed housing market, stagnation in the job market and retrenchment in retail sales hit.

According to Webb, job growth has stalled, the service sector cannot handle automaker layoffs and consumers are continuing to spend cautiously, fostering retail sales declines.

Meanwhile, the latest annual figures on dealer

JOE WILSSENS

Recently remodeled from walls to tile floor, the showroom of Galen Boyer Pontiac-Cadillac in Independence, Mo., represents what Pontiac sees as the marketplace design of the 1990s.

advertising expenditures — released last month — reflect the somber mood of auto retailers over the past year.

Advertising expense at the average new-car dealership in 1989 went down for the first time in 14 years, according to NADA.

Despite the drop, however, the average new-car dealership still spent $154,000 in advertising in 1989, or 25 percent more than the average dealership earned in the new-car sales department for the year.

The slowdown in new-car sales and the squeeze on dealer profits are cited by NADA analysts as the reasons for the end to the 15.5 percent annual growth rate in dealership advertising costs experienced during the last 13 years.

The auto sales slump and profit squeeze also reduced 1989 pre-tax profits to 1 percent for the average new-car dealership.

The breakdown in 1989 dealership advertising expenses shows that newspapers absorbed 56 percent of total advertising costs, an increase of 2 percent compared to 1988.

Radio's share of the budget dropped 2 points in 1989 to 17 percent. Television advertising's share slipped 1 point to 15 percent.

Advertising expense in 1989, however, still represented the third-highest level ever reached, as dealers spent an average of $261 per vehicle unit on advertising in 1989, according to NADA.

While some dealers blame ad associations for the boost in ad costs, an NADA survey shows that only 19 percent of all dealers transfer ad association fees on vehicle invoices to their advertising accounts.

Webb says a more likely explanation is ad dollars versus profits. Ad dollars tend to rise with dealership profits, but as profits reached record levels in the mid-1980s, ad spending surged. Between 1983 and 1987 ad outlays increased 21 percent annually.

According to Webb, the decline in 1989 is a realignment by dealers to bring ad costs back in line, a development which likely indicates an era of cautious ad spending.

Ray Green, NADA president, noting the tremendous advertising clutter in all media today, said, "Dealers will continue to place tighter controls on advertising expenditures to offset weak profits.

"Today's dealers remain skeptical about the effectiveness of all advertising, such as ad association advertising, that dilutes the individual dealer's message to potential customers," Green said.

NADA's average dealership saw a 43 percent increase in its bottom line in the first quarter of 1990 as dealers cut inventory expenses, boosted used-car sales, and improved efficiencies and sales in their service and parts operations.

The average dealership also saw its nonfloorplan debt-to-equity ratio increase to 1.02, the highest in seven years.

While not too alarming, NADA notes, reports of shaky dealerships are on the rise.

The continuing problem is lack of profit in new vehicles, according to NADA. Through the first quarter of 1990, the loss was 1.7 cents for every dollar of sales, the association said.

However, finance and insurance departments came to the rescue, turning the loss into a gain of 32 cents on every $100 of sales.

According to NADA, the used-car department is 2 percent ahead of last year in comparing first quarters, but the service department finished in the red, even though it beat 1989's first quarter profits by 20 percent. □

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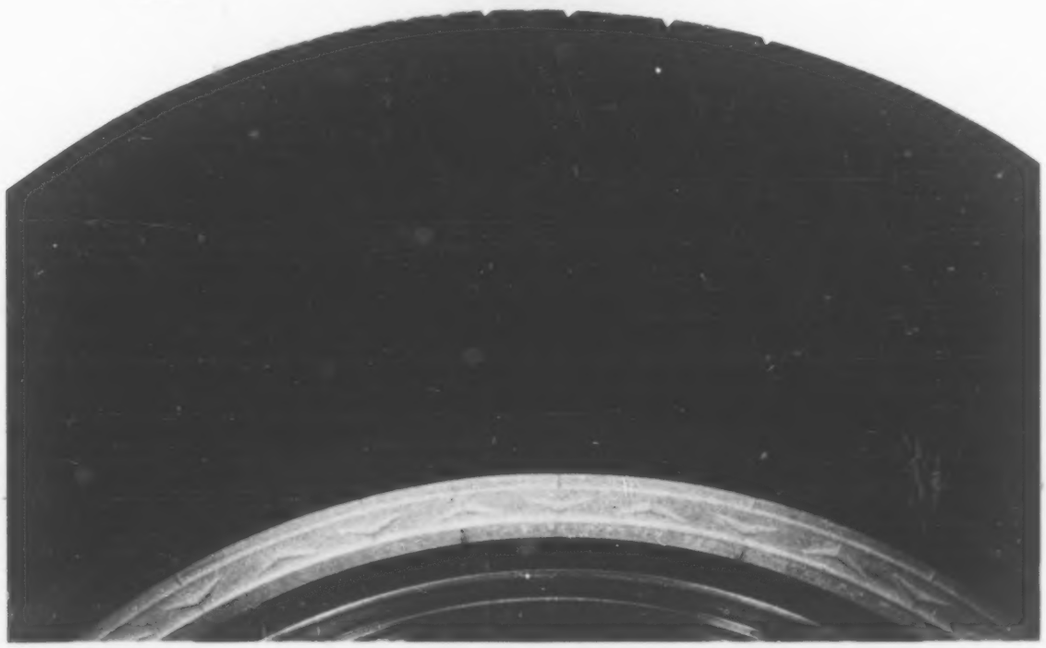

Geo ground effects

Pacific Auto Accessories, Huntington Beach, Calif., has created a ground effects styling package and spoiler for the Geo Storm coupe. The ground effects package consists of a front air dam, side skirts and rear lower wrap around skirt. The retail price for the ground effects package is $473; the spoiler is $176.

Upstart Lexus charges past M-B in July

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — Lexus outsold Mercedes-Benz for the first time in July, which was generally an off month for import car sales.

Imports fell about 11.1 percent in July to 213,047 units, slightly worse than the year-to-date import pace, which was off 9.8 percent for seven months to 1.49 million.

Japanese imports declined 10.0 percent in July. Honda Motor Co. was down 9.7 percent to 23,876 units and Nissan Motor Co. declined 16.6 percent to 27,530. Toyota Motor Corp. imports rose less than 1 percent to 35,519.

For the year-to-date period, only Honda imports showed an increase, up 4.2 percent to 148,166 units. But declining imports from Japan are being supplanted by Japanese transplants in the United States. Honda's biggest import, the Accord, was up 6.7 percent for the year to 83,163, but down 13.0 percent for the month to 15,133.

Lexus, the new luxury division of Toyota Motor Sales USA Inc., outsold Mercedes-Benz of North America Inc. in July by 312 cars, with monthly sales of 5,596 units. Lexus also outstripped BMW of North America Inc., which sold 4,709 cars in July, marking the fourth month Lexus has outsold BMW. Among Lexus, BMW and Mercedes, the best-selling model was the Lexus LS 400.

Lexus still trails the two German heavyweights for the year-to-date, but BMW was down 6.2 percent for the month and down 9.2 percent for seven months. Mercedes, which had been up close to 3 percent after six months, fell 17.5 percent in July and is now just below break-even.

Overall, European imports fell 12.3 percent for the month to 43,835, or 13.1 percent for the seven months to 295,279.

Mitsubishi Motors Corp. posted gains for the month and for the year-to-date period. July sales of 4,859 were up 15.7 percent, compared with the year-ago month.

MARKET SHARES
Domestic, Import cars

	July 1990 Sales	Pct. of Total
Subcompact	170,791	21.26
Compact	243,686	30.32
Intermediate	265,373	33.03
Standard	108,551	13.51
Specialty	15,122	1.88
TOTAL	803,523	100.00

Saab's Western region moves north in California

ORANGE, Conn. — Saab Cars USA Inc. has moved its Western region office from Torrance, Calif., to Union City, near San Francisco.

The region covers Washington, Oregon, Montana, Idaho, Wyoming, California, Nevada, Utah, Arizona and Colorado and parts of New Mexico, Texas and South Dakota.

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IMPORT SALES BY MODEL

	July 1990	July 1989	7 Mos., 1990	7 Mos., 1989
ACURA	13,176	12,765	84,902	83,825
Integra	7,685	8,099	50,844	47,762
Legend	5,491	4,666	34,058	36,063
ALFA ROMEO	440	225	1,828	1,928
Milano	3	55	32	709
Spider	162	170	1,318	1,219
164	275	0	478	0
ASTON MARTIN*	5	5	35	35
AUDI	1,556	2,658	12,646	11,968
4000	1	2	1	89
5000	0	24	11	272
80	331	416	2,761	2,856
90	228	559	2,092	3,111
V8 Quattro	209	276	1,092	325
Coupe Quattro	52	0	554	0
100/200	643	1,115	5,111	4,129
100/200 Quattro	92	266	1,024	1,186
BMW	4,709	5,018	36,196	39,867
3-Series	2,346	2,632	17,287	19,741
5-Series	1,616	1,415	13,046	12,256
635 CSi	14	130	218	964
7-Series	637	752	4,957	5,711
M3	55	57	473	637
M5	41	11	189	242
M6	0	21	6	316
CHEVROLET/GEO	10,615	10,287	88,032	67,705
Geo Storm/Spectrum	6,581	3,882	60,995	34,077
Geo Metro/Sprint	4,034	6,405	29,673	33,628
CHRYSLER MOTORS	5,299	7,230	37,755	64,214
Colt	3,612	4,045	21,877	35,683
Conquest	0	475	896	3,846
Medallion	0	95	475	3,575
Summit	1,126	1,356	8,903	12,041
Vista	337	1,075	3,285	8,176
TC	224	184	2,319	893
DAIHATSU	806	1,215	6,701	8,042
FERRARI*	80	80	560	560
FORD Festiva	5,243	7,001	34,793	43,427
HONDA	23,876	26,442	148,166	142,222
Civic/CRX	4,838	4,629	39,574	36,227
Accord	15,133	17,403	83,163	77,941
Prelude	3,905	4,410	25,429	28,054
HYUNDAI	10,669	13,598	80,542	111,888
Excel	8,249	10,413	62,056	96,882
Sonata	2,420	3,185	18,486	15,006
ISUZU	386	1,861	2,196	11,454
I-Mark	88	1,335	1,020	8,022
Impulse	298	526	1,176	3,432
INFINITI	2,107	0	11,375	0
M30	907	0	4,143	0
Q45	1,200	0	7,232	0
JAGUAR	1,410	1,472	10,860	10,837
XJ6	1,084	1,168	7,994	8,288
XJS	326	304	2,866	2,549
LAMBORGHINI*	13	13	91	91
LEXUS	5,596	0	34,035	0
ES 250	1,990	0	11,372	0
LS 400	3,606	0	22,663	0
LOTUS*	27	27	189	189
MASERATI*	20	17	140	157
MAZDA	14,169	17,442	96,302	108,363
323	2,130	4,697	12,898	43,876
Protege	5,134	0	28,626	0
626	1,230	5,747	15,512	33,596
MX-6	18	89	112	2,059
Miata	3,105	4,105	22,994	5,861
929	1,623	1,605	9,831	12,181
RX-7	929	1,199	6,329	10,790
MERCEDES BENZ	5,284	6,403	42,591	42,668
190	1,013	1,439	7,384	8,153
300E 2.6/260E	151	536	1,273	2,783
300	1,772	1,584	14,330	12,637
300 SE	448	602	3,837	3,944
350SDL Turbo	191	1	425	2
300SEL	255	330	2,188	2,346
420SEL	515	595	3,877	3,798
560SEL	324	401	2,675	2,868
SL Coupe	379	736	4,768	4,826
560SEC	150	91	1,058	835
Tourist	86	88	778	476

	July 1990	July 1989	7 Mos., 1990	7 Mos., 1989
MERCURY/MERKUR	5,230	7,760	17,347	44,673
Tracer	3,523	6,684	13,018	39,103
Capri	1,707	0	2,468	0
XR4Ti	0	470	198	3,153
Scorpio	0	606	2,424	2,417
MITSUBISHI	4,859	4,198	70,596	41,734
Starion	1	30	18	578
Cordia	0	13	0	352
Tredia	0	0	0	10
Mirage	1,416	1,504	36,952	10,887
Galant	2,923	2,352	28,650	17,812
Sigma	136	138	1,322	1,385
Precis	263	984	2,927	10,557
3000GT	14	0	14	0
Van/Wagon	106	161	713	1,137
NISSAN	27,530	33,014	195,376	244,093
Sentra	3,426	8,990	39,545	74,359
Pulsar	153	2,348	3,508	16,402
Stanza	8,278	3,367	45,964	27,334
Maxima	7,962	8,787	59,068	62,908
240SX/200SX	5,226	5,420	31,017	43,837
300ZX	1,610	2,757	13,214	15,510
Hawaii	229	250	1,920	2,009
PEUGEOT	337	515	2,713	3,582
PONTIAC LeMans	6,338	5,855	25,671	32,774
PORSCHE	750	1,168	5,881	5,722
924S/944	10	9	169	91
944	0	143	56	822
944S	225	69	1,356	210
944 Turbo	21	85	450	441
911 Carrera 4	273	221	2,229	1,498
911 Turbo	2	108	8	826
911 Carrera 2	182	477	1,217	1,326
928S	37	56	396	508
ROLLS/BENTLEY*	100	100	700	700
SAAB	3,632	3,663	16,881	19,828
900	668	924	3,058	3,661
900S	1,158	1,183	4,089	4,606
900 Turbo	776	827	4,743	5,567
9000S	311	263	1,339	1,722
9000 CD	232	217	1,992	1,833
9000 Turbo	458	216	1,553	2,016
Tourist	29	33	107	200
STERLING	273	470	2,609	3,821
SUBARU	8,311	13,364	57,370	87,088
Hatchback	11	98	159	2,097
3-Door	26	451	211	6,569
4-Door Sedan	22	1,926	336	25,043
Legacy	5,587	3,714	32,260	9,126
Loyale	1,623	2,545	14,592	5,700
XT/XT6	50	1,529	865	7,632
Station Wagon	26	1,166	182	18,341
Justy	966	1,935	8,699	12,580
SUZUKI	533	430	3,690	3,239
TOYOTA	29,923	35,347	215,034	260,069
Corolla	7,044	11,538	52,367	68,033
Tercel	6,798	6,619	55,719	54,689
Celica	6,438	4,321	49,385	32,480
Supra	464	1,317	4,374	9,674
Camry	6,506	9,651	38,331	79,715
Cressida	1,200	1,438	6,461	12,066
MR2	1,473	463	8,397	3,412
VOLKSWAGEN	11,547	9,853	79,995	80,205
Cabriolet	706	916	5,192	7,008
Corrado	585	0	3,167	0
Jetta	4,737	3,819	37,721	33,848
Golf/GTI	2,313	2,342	10,119	14,390
Passat	1,449	0	8,558	0
Quantum	2	9	28	856
Scirocco	0	9	9	834
Fox	1,755	2,758	15,201	23,269
VOLVO	7,639	9,173	56,939	62,216
240 Series	2,796	3,834	20,698	25,731
740 Series	3,790	4,154	30,098	27,620
760 Series	803	896	4,885	7,394
780	77	195	496	1,095
Tourist	173	94	762	376
YUGO	559	1,106	4,284	6,411
IMPORT TOTAL	213,047	239,775	1,485,021	1,645,595

*Estimate

Compiled by Karen Dellapenta

National lemon law model sours state lawmakers

By Helen Kahn
SENIOR CORRESPONDENT

A model lemon law for the nation has been rendered comatose.

The National Conference of State Legislatures shelved a final draft of the measure at its annual meeting held earlier this month in Nashville, Tenn.

Drafters had designed the model law for states looking to upgrade existing lemon laws. The draft represented a compromise between industry interests and consumer interests and was designed to avoid bloodletting from automakers, dealers and consumer groups. It is similar to lemon laws in Florida and Washington.

But the National Conference of State Legislatures apparently thought the model bill was not even worth a vote. One possible reason is that only two states — Arkansas and South Dakota — do not already have lemon laws.

Approval of the measure basically would have amounted to an endorsement. Drafters still hope that the more than 30 states that have first-generation lemon laws will consider the model when drafting second generation legislation, especially because adoption of the whole bill should thwart opposition from both industry and consumer groups.

The push for a model lemon law came two years ago at the urging of State Rep. John Woodcock III, a Connecticut lawmaker.

The conference was willing to talk to automakers and consider such a model law in order to improve uniformity among state laws. It took the position even though it vigorously opposed federal preemption of state lemon laws, either with a federal law or by the Federal Trade Commission's regulation of arbitration procedures.

Even after Woodcock was defeated in the 1988 election for the Connecticut legislature, the National Conference of State Legislatures project continued and was eventually joined by lawyers from General Motors and Ford.

No participation was asked or given from the import companies, according to the International Automobile Manufacturers Association. The association had earlier produced its own model lemon law, which was ferociously attacked by consumer groups and later quietly shelved.

All five drafters were veterans of the 18-month impasse between consumer activists and industry representatives who tried to work with professional negotiators to develop a compromise on the commission's procedural rules.

The work was done by Philip Nowicki, a lemon law expert who is now administrator of Florida's lemon law; Evan Johnson, formerly with the Center for Auto Safety and now with the office of consumer affairs in Montgomery County, Md.; David Collins, a lemon law specialist at General Motors; and Lassie Waldern, a lemon law specialist at Ford Motor Co. Pete Kitzmiller, an attorney with the National Automobile Dealers Association, took part to ensure that dealers would escape liability so long as they followed manufacturer's instructions.

N.Y. dispute may go to Supreme Court

The auto industry has asked the U.S. Supreme Court to decide whether federal rules preempt state lemon laws that impose certain requirements that go beyond those covered under U.S. regulations.

In particular, the industry wants a decision on whether New York may stop automakers from operating their own more limited arbitration programs.

In March, a federal court of appeals upheld the New York lemon law's mandates that automakers' informal mechanisms for settling disputes must include oral hearings, trained arbitrators and more written records.

The court said the fact that the 1975 Magnuson-Moss Warranty Act told the Federal Trade Commission to set "minimum" requirements for automakers' arbitration programs means Congress intended state laws to supplement, but not supplant, the automakers' informal dispute settlement mechanisms.

The federal appellate decision reversed an earlier lower court opinion finding that the state's extra requirements were banned because they were preempted by the Magnuson Moss law and Rule 703.

That ruling was identical to the makers' position and the one they are now trying to get confirmed by the U.S. Supreme Court.

— Helen Kahn

Used-car lemon law aids N.Y. buyers

By Helen Kahn
SENIOR CORRESPONDENT

The first seven months of New York's used-car lemon law arbitration program have produced more than $330,000 in refunds to consumers, according to State Attorney General Robert Abrams.

In 54 of the 77 cases decided so far under the new law, which became effective Jan. 1, settlements have favored consumers. Forty-one individuals have been awarded a total of $308,127, or an average of $7,515 per complaint. The remaining 13 consumers made settlements worth a total of more than than $25,000.

The used-car lemon law created an independent arbitration program that enabled buyers to seek restitution if a serious flaw developed within a certain time. It applies to purchases from new- and used-car dealers.

Abrams also noted that the latest figures show the state's new car lemon program, over its seven years of operation, has returned more than $60 million in cash refunds or replacement cars to more than 4,300 consumers. He added the law has been improved significantly and successfully, defended against "repeated legal challenges by the auto industry."

The American Arbitration Association has won a two-year renewal of its contract for administering the arbitration program for both new and used "lemons."

After Jan. 1, 1991, the filing fee for the new-car program will rise from $200 to $225. The fee for the used-car lemon arbitration will stay at $100 for the next two years. Filing fees for both programs are refundable if the consumer is successful.

A change in the law, to take effect Jan. 20, 1991, extends coverage on used vehicles. Those with less than 36,000 miles at the time of sale are covered for 90 days/4,000 miles, whichever comes first; 36,000-80,000 miles, 60 days/3,000 miles; and 80,000-100,000 miles, 10 days/1,000 miles.

Japanese makers fare well in Connecticut 'lemon' tally

By Helen Kahn
SENIOR CORRESPONDENT

A Connecticut report indicates that when it comes to lemon law grievances, it's not "Advantage Chrysler," as the ads say, but "Advantage Toyota."

Toyota accounted for only 0.70 percent of the lemon law cases eligible for arbitration in the state in 1989, well below what might be expected for a company that had 7.0 percent share of the state's vehicle market in 1989. Toyota and three other Japanese nameplates — Honda, Nissan and Mazda — had market shares well above their percentage of cases eligible for arbitration.

Each of the Big 3 brands, in contrast, claimed a higher percentage of arbitration cases than their market share would warrant.

A total of 141 complaints were eligible for arbitration during the first half of 1989. The cases kick in when defects are not corrected after four or more repair attempts for the same problem or after 30 days of repair services for any number of problems.

Nameplates with no cases eligible for arbitration included: Audi, Acura, Hyundai, Mercedes-Benz, Peugeot, Subaru, and Suzuki.

ARBITRATION ELIGIBILITY FOR CONN. 'LEMONS'

Manufacturer	'89 market share	Pct. of total cases eligible for arbitration
General Motors	30.0	35.0
Ford	21.0	28.0
Chrysler	15.0	21.0
Honda	7.7	1.5
Toyota	7.0	0.7
Nissan	3.3	1.4
Mazda	2.7	2.1

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OUR FIRST MONTHS TOTALS TOTAL FRONT-END GROSS $288,000 PLUS N.C+U.C.=141 FRONT-END GROSS $2042. PER	OUR FIRST MONTHS TOTALS TOTAL FRONT END GROSS $178,000 PLUS N.C.+U.C.=78 FRONT-END GROSS$2282 PER
OUR SECOND MONTH TOTAL FRONT-END GROSS $290,000 PLUS N.C.+U.C=107 FRONT-END GROSS $2710. PER	OUR SECOND MONTH TOTAL FRONT-END GROSS $ 180,000 PLUS N.C.+U.C.=74 FRONT-END GROSS $2432. PER
OUR THIRD MONTH TOTAL FRONT-END GROSS $285,000 PLUS N.C.+U.C.=111 FRONT-END GROSS $2568 PER	OUR THIRD MONTH TOTAL FRONT-END GROSS $176,000 PLUS N.C.+U.C.=79 FRONT-END GROSS $2228. PER

$$$

Autos recharge Ford Electronics

Engine controls replace refrigerators as sales top $2 billion

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Twenty years ago, Ford Electronics stood for Philco refrigerators, washers and stereos and a smattering of electrical components for Ford cars and trucks. It was the detour division for executives who did not make the corporate grade.

Today, Ford Electronics is a hot bed of technology and the fastest growing Ford division. Ford's electronic business has grown from sales of $450 million in 1984 to $2.1 billion in 1989, half the $4 billion posted by General Motors' Delco Electronics in 1989.

In response to that growth, the corporation has allowed the division to build six new plants and a new engineering center in the last six years, at the same time other divisions were restrained to not add capacity. Ford has broken ground for new electronics plants in Lansdale, Pa.; Cadiz, Spain; and Setubal, Portugal.

The growth has been spurred by a dramatic increase in electronics in a typical Ford vehicle.

"Electronics is strategic to the personality and functionality of the vehicle in the future whether that is in the arena of emissions, safety or security," said Frank Macher, Ford Electronics general manager.

"You can adjust the personality of the vehicle with electronics very easily. You can have a suspension system that adjusts to the condition and you can integrate that suspension with the transmission and engine to make the total system capable of responding to a driver's desire."

Macher's division is working on changes that will give Ford vehicles more personality. It is developing Ford's first active suspension, traction control and four-wheel-steering systems — technology Japanese and European makers offer on a few cars.

Also planned is the next generation electronic engine-control system, which has been referred to as the EEC-V. Macher said the controller will have more than double the computer capability of the present engine management system, known as the EEC-IV.

In the meantime, Macher said the EEC-IV system should give Ford an advantage over its competitors in Europe when tougher emission standards — similar to present U.S. standards — take effect in 1993. Ford has constructed a plant in Cadiz, Spain, to produce the EEC-IV for Ford of Europe's vehicles. The Cadiz plant will begin production in February 1991.

"The EEC-IV has a tremendous amount of development behind it. That development effort has come up with a tremendous amount of knowledge that has integrated into the software and the calibrations that we use in the United States. Those will have to be modified somewhat to meet local conditions," Macher added.

The real challenge will be in the United States where Macher is working with Ford's powertrain systems engineering organization on meeting tougher emissions and fuel economy standards in the future.

Also under Macher's direction will be developing controllers for Ford's new electronically controlled transmissions. The first transmission — a five-speed — will be produced beginning in 1991 at Ford's Van Dyke transmission plant in Sterling Heights, Mich. Eventually all of Ford's hydraulically controlled transmissions will be replaced by electronically controlled transmissions.

The automaker has not been aggressive in marketing critical components (such as engine controllers and suspension systems) to other automakers, other than those it holds an equity stake. Macher said Ford Electronics currently sells Mazda rear anti-lock brake modules for some of its trucks built in Japan (like the B2000) and audio systems, instrumentation, speed controls, passive restraint modules, powertrain controllers for the V-6 engine and small modules for the Probe. Mazda selected suppliers for the Probe.

"Our most important customer has to be Ford Motor Co. on a worldwide basis, our affiliated companies second and if there's any time for the rest of them, third," Macher said.

Only about 2 percent of the $2.1 billion in Ford Electronics revenues comes from non-Ford companies. Eight percent of Delco's $4 billion in revenue is from non-GM companies.

Macher said Ford is currently selling radios to General Motors of Brazil. It is also pursuing business with other automakers on non-performance sensitive componentry (radios and instrumentation).

Ford Electronics may see business from Ford's acquisition of British luxury carmaker Jaguar.

"I think Jaguar will benefit from Ford Electronics capability. They and other luxury car makers are going to be pressing to compete with Lexus and Infiniti," said Paul Hansen, publisher of *The Hansen Report on Automotive Electronics* and a New Hampshire-based electronics consultant.

Ford Electronics is not expected to be hurt by the sale of Ford Aerospace to Loral Corp. Though the division did supply parts and exchange technology with the aerospace unit, Macher said data from the technology transfer is already with Ford Electronics and will be used in the future. Macher said the door is open with Loral concerning future business.

The virtual electronics explosion will give Ford Electronics a healthy 15 percent growth in the next few years, Macher predicted. That's about double the anticipated 7 to 8 percent growth of the automotive electronics industry, according to Hansen.

Untouched by human operators, printed circuit boards for Ford's EEC-IV engine controller move through machines that insert various circuits.

Auto trade deficit tumbles 14.3% in April

WASHINGTON — The U.S. automotive trade deficit in passenger cars and light trucks fell 14.3 percent in April. The improvement is the latest in a string of positive trade statistics that have left the annualized automotive trade deficit down nearly $6 billion from the same period one year ago.

The value of imported cars and trucks declined 7.9 percent in April, while U.S. exports increased 15.2 percent.

"Total U.S. exports of autos and light trucks rose during April largely because of shifts in production by the Big 3," said Dennis Rapkins, chief of the U.S. International Trade Commission's Machinery and Equipment Division.

The biggest shift was an $59.09 million increase in exports to Canada, said Rapkins, whose agency keeps tabs on automotive trade at the request of Congress.

He said the sluggishness of the U.S. market accounts for the decline in imports.

Shipments from Japan were off 5.4 percent in April and are down slightly over the last 12 months. But Japanese makers have more than made up for that by boosting North American production.

The April vehicle trade deficit was $3.10 billion compared with a $3.61 billion deficit in April 1989.

The value of new vehicle imports in April dropped to $4.24 billion. Imports from Canada fell 10.3 percent. Other countries experiencing a decrease in U.S.-bound trade were South Korea, off 21.6 percent; Mexico, 23.5 percent; and Brazil, 19.5 percent. Countries classified as "others" dropped 27.1 percent.

New vehicle exports increased to $1.15 billion. Exports to Canada increased 9.8 percent, and shipments to Japan were up 59.3 percent. Exports to Japan were up 36.5 percent over the previous 12 months.

Exports to countries grouped as "others" registered a 23.4 percent increase.

U.S. AUTOMOTIVE TRADE

(x $1,000)

Passenger cars and light trucks (up to 10,000 lbs. gvw)

Country	Trade	April 1989	April 1990	Annualized trade May 1988-April 1989	Annualized trade May 1989-April 1990
Japan	from U.S.	$ 39,591	$ 63,061	$ 314,121	$ 428,633
	to U.S.	1,723,529	1,630,633	20,382,072	19,996,583
Canada	from U.S.	605,665	664,759	5,815,655	6,182,422
	to U.S.	1,120,433	1,005,084	13,000,541	12,659,893
West Germany	to U.S.	480,819	544,953	6,086,231	5,141,195
South Korea	to U.S.	156,029	122,397	2,365,847	1,148,521
Sweden	to U.S.	139,349	154,992	1,981,616	1,603,494
Mexico	to U.S.	116,476	89,216	1,259,098	1,072,423
Yugoslavia	to U.S.	2	2,028	26,435	2,190
United Kingdom	to U.S.	93,999	94,223	952,493	899,192
Italy	to U.S.	27,913	31,122	165,493	282,134
France	to U.S.	5,778	121	137,956	29,422
Brazil	to U.S.	14,502	11,683	274,811	248,832
Others	from U.S.	186,150	229,847	1,996,370	2,531,486
	to U.S.	52,254	38,140	364,227	419,691
Car and truck total	from U.S.	994,599	1,146,000	8,026,146	10,835,878
	to U.S.	4,605,090	4,241,947	54,274,950	51,241,421
VEHICLE TRADE BALANCE		(3,610,491)	(3,095,947)	(46,248,804)	(40,405,543)
Car total	from U.S.	831,406	957,867	6,087,335	9,142,541
	to U.S.	3,931,083	3,724,591	46,906,697	43,503,570
CAR TRADE BALANCE		(3,099,677)	(2,766,924)	(40,819,362)	(34,361,029)
Truck total	from U.S.	163,193	188,333	1,938,811	1,693,337
	to U.S.	674,007	517,356	7,368,253	7,737,851
TRUCK TRADE BALANCE		(510,814)	(329,023)	(5,429,442)	(6,044,514)
TOTAL U.S. Merchandise trade	from U.S.	30,969,200	32,306,800	338,833,300	374,567,400
	to U.S.	38,615,300	39,247,200	451,547,100	480,275,800
TRADE BALANCE		(7,646,100)	(6,940,400)	(112,707,800)	(105,708,400)

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THE BALTIMORE SUN

DOLLAR

FROM PAGE 3

percent of their sales in the United States, will not pull back from the American market.

"BMW and Mercedes can't afford to let the U.S. market disappear or shrink drastically," said Chew. "But you may see a further move upmarket and a move away from the attempt to defend the entry levels that you see at the moment. They have the products to do it."

In June, BMW of North America introduced its new 318is at $21,500, marking a retreat toward the $20,000 price range. Mercedes has plans to revive the 190E 2.3 for sale under $30,000. But Chew said upcoming model changes, most notably Mercedes' new S-class sedan, puts the companies in a position to move further upscale.

"The key thing is that the ability to increase prices in the U.S. market today is very limited" because of intense competition and thinning profit margins, said Reitman.

The German parent companies point out that they have become less dependent on North America in recent years, even though the overall importance of the American market guarantees their long-term commitment.

A BMW spokesman noted that the United States accounted for 15 percent of the company's sales revenue and 12 percent of production volume last year, down from nearly 20 percent of unit output in 1986. Along the way, U.S. sales have dropped 33 percent.

"We've had a shifting from the U.S. to Europe," he said. "So we not getting gray hairs about this. We look to that business as long term."

He said BMW would not intentionally change export patterns because of a weak dollar and added that the U.S. import operation remains profitable. He said the impact of continued current exchange rates on the group's profits for 1990 would be relatively small.

A VW spokesman also cited the company's reduced dependence on the U.S. market.

"In the late 1960s, 30 percent of our production was sold in the United States," he said. "Today, it is 8 percent."

Hans Halbach, Porsche AG's executive vice president for sales and marketing, said he doesn't believe the dollar will remain at 1.60 marks because that level does not reflect the strength of the U.S. economy.

In addition, "West Germany will have tremendous costs in this unification process, and I think it will affect the deutsche mark," he said.

But Porsche's exposure to the United States is now sharply reduced — from two-thirds of total sales in 1986 to less than one-third this year. Many here view Porsche as a blueprint for other German brands in the United States. It has moved steadily upmarket and stopped trying to defend its previous entry-level position.

"Demand is good for their products (in the United States)," said Reitman, "but they are keeping demand at a fixed level."

Analysts don't expect Mercedes or BMW to cut their allocations for the United States to divert units to more profitable markets. "Neither BMW nor Mercedes is very keen to start scaling back production at the moment," said Lawson. "They need the factory loadings to get the efficiencies. But they will probably be looking closely at what the programs for the U.S. this year."

GERMANY

FROM PAGE 1

East Germany combined will "approach current U.S. levels in less than 10 years." The research group projects 42 million cars on German roads by the end of the decade, or 508 cars per thousand residents. That compares with 33.7 million cars in 1989.

Volkswagen AG officials cite estimates that East Germany could grow to 550,000 units by 1995 — comparable in size to Europe's fifth-largest market, the Netherlands — and reach 700,000 by the end of the decade.

"The East German economy is shrinking, but there is confidence about the medium-term," said Edmund Chew of DRI Europe's Frankfurt office. "There is a lot of pent-up savings and a lot of purchasing power."

A boom in the West German used-car market, attributed to East Germans replacing their Trabants and Wartburgs with second-hand cars from the West, has indirectly bolstered the country's new-car market this year.

Dealers say the market for used cars up to 15,000 marks ($9,550) is all but cleaned out. The industry consensus is that about 100,000 cars were purchased by East German citizens in West Germany during the first seven months of 1990.

The Leipzig Institute for Market Research has estimated that about 70 percent of East German households are in the market for a car.

Demand is being fueled by the fact that East German cars average 11 years old.

Altogether, plans have been announced for more than 1,500 new dealer outlets in East Germany. Nearly 1,000 sales and service centers are already active — mostly VW and Adam Opel AG units. That compares with 1,081 Trabant outlets before the country's political changes.

Many of the new dealers are being culled from the ranks of the old Trabant service network. An Adam Opel spokesman said most new Opel dealers in the East are local entrepreneurs who have operated garages and workshops in the past.

VW Group, West Germany's market leader, has formed a marketing joint venture with its East German manufacturing partner, VEB IFA Kombinat Personenkraftwagen, maker of the Trabant. As of last week, VW had signed agreements with 420 Volkswagen-Audi and 150 Seat dealers in East Germany. A spokesman said orders for 11,500 VW Group cars have been received and sales of 33,000 VW-Audi-Seat cars in the country are expected during the 1990 calendar year.

"It is a bit more than we expected," he said.

Volkswagen's top East German seller is the Golf, not the smaller Polo. Other manufacturers also report that the lower-medium Golf/Ford Escort/Opel Kadett-class subcompacts are proving more popular than the Polo/Ford Fiesta/Opel Corsa superminis that were expected to comprise the top-selling segment in East Germany.

"Our logic said that the biggest demand for our existing product range would come on the Fiesta," said John Hardiman, chairman of Ford of Germany, in a recent interview. "We are getting demand from our West German dealers who are along the border, and interestingly enough the biggest seller is not the Fiesta, it is the Escort. It wasn't our logic, but that's how it is shaking out."

An Adam Opel spokesman also said that the vitality of the market has so far surpassed expectations and that demand for the Kadett has outstripped the Corsa.

Opel, Germany's second best-selling make, now has about 330 active dealers in East Germany and plans to have 400 by the end of 1991. The company has established a sales office in Berlin.

Virtually all manufacturers setting up sales and service networks are sponsoring training courses in West Germany for sales and technical personnel. Renault, among the most aggressive of the non-German companies, conducted a sales and training convention in Berlin in June.

THE ASSOCIATED PRESS

East Germans are dumping their plastic-bodied Trabants, some literally, and switching to Western-built cars.

Dealer networks in East Germany

List indicates current dealers and plans or expectations for the future.

VW — 420 Volkswagen-Audi and 150 Seat dealers signed

Opel — 330 dealers; 400 by the end of 1991

Ford — 140 dealers under contract, but only 79 active; 100 planned for operation by year-end and 200 eventually

Mercedes-Benz — 37 passenger-car dealers planned; 54 commercial vehicle dealers planned

BMW — 15 sales and service centers; 35 planned by end of year; 130 planned by 1994.

Fiat — 100 dealers; 200 planned

Renault — 250 dealers

Peugeot — 70 planned for appointment in September

Volvo — 8 dealers; 30 planned in 1991

Saab — 5 dealers; 15-20 by end of the year

Rover — 60 planned within 3-5 years

Nissan — 38 dealers; 70 by the end of the year

Mazda — 50 planned by the end of the year.

Honda — 18 dealers signed; 30 planned by year end; 100 eventually

Mitsubishi — 100 dealers

Subaru — 20 dealers signed

Toyota — 1 dealer; 45 by the end of the year; 150 in 1992

— Richard Johnson

PROFITS

FROM PAGE 1

ship during 1989, according to the association's just-released annual NADA Data report.

The results were brutal:

- About 25 percent of all new-car dealerships lost money in 1989.
- Profits for the average dealership plummeted 40 percent from 1988 — to the recessionary levels of 1980 — despite a modest increase in total sales dollars. The cause: high inventories that drove up floorplanning costs.

Floorplanning costs were so high last year that then NADA President Ron Tonkin exhorted dealers to stock fewer models as a means of trimming floorplanning interest costs. In 1989 the average dealership paid $127,000 in floorplan interest, according to NADA.

- For the average dealership, net profit before tax as a percent of total sales was a scant 1 percent.
- Average dealership net worth fell 7.4 percent during 1989, to $704,069 at the end of the year.

Even with reduced net worth, the average dealer's return on his investment, represented by net profits as a percent of net worth, declined sharply to 17.5 percent last year. The average return on a dealer's investment was 27.3 percent in 1988 and 37.6 percent as recently as 1986.

- The number of new-car dealerships continued to shrink and even the association's dealer optimism index had fallen to a nine-year low by July before stabilizing.

Total dollar sales for all franchised new car dealerships reached a record of $304 billion in 1989, an increase of less than 1 percent over 1988.

Parts and service accounted for 14.6 percent of total dealership sales, the highest percentage since the 1982 recession. Parts and service accounted for 64 percent of total profits.

Franchised dealers sold a record $44.4 billion in service and parts in 1989. That represents a 48 percent increase over 1985's volume. High vehicle sales, extended warranties and increased service contract sales contributed to the rise.

The average selling price for a vehicle including options and accessories rose 7 percent in 1989 to $15,100, based on actual transactions.

Because of declining sales and modest price increases, the average dealership's total dollar sales rose only 2 percent in 1989.

Dealers sold 14.7 million used vehicles in 1989 — almost as many used vehicles as new ones — representing 23 percent of the average dealership's total sales and 27 percent of total profits.

The number of franchised dealerships declined by about 350 in 1989, according to NADA. *Automotive News* statistics show an actual decline of 337 dealerships last year, for a year-end total of 24,576.

NADA says there are 4,500 fewer dealer principals today than seven years ago, even though the number of dealerships is virtually the same. Consolidation of dealerships accounts for the decrease.

Multiple dealership operators are the rule. More than half of all dealerships are currently part of a chain and more than 30 percent of all dealerships are part of a four-or-more dealership chain.

INCENTIVE WATCH

CUSTOMER INCENTIVES

	Rebates	Finance Rates (Pct.) — Months — 24	36	48	60	Expiration Date
Chrysler Corp. (1989-90 models)						
Chrysler	$750-$2,000	2.9	7.9	7.9	10.9	Sept. 30*
Dodge cars	$750-$1,500	2.9	7.9	7.9	10.9	Sept. 30*
Dodge trucks	$750-$2,500	2.9	7.9	7.9	10.9	Sept. 30*
Eagle	$750-$2,000	2.9	7.9	7.9	10.9	Sept. 30*
Jeep	$500-$1,500	2.9	7.9	7.9	10.9	Sept. 30*
Plymouth	$750-$1,500	2.9	7.9	7.9	10.9	Sept. 30*

*Incentive financing of zero percent for 24 months, 4.8 percent for 48 months and 7.9 percent for 60 months applies to Chrysler LeBaron coupe, Imperial, New Yorker, New Yorker Salon, New Yorker Landau and New Yorker Fifth Avenue; Dodge Daytona and Dynasty, and Jeep Cherokee and Wagoneer Ltd. Rates of zero or 2.9 percent for 24 months (depending on model), 7.9 percent for 48 months and 10.9 percent for 60 months are available on all other models.

Ford Motor Co. (1990 models)						
Ford cars*	$700-$1,000	7.9	7.9	7.9	10.9	Sept. 26
Ford trucks	$600-$1,500	7.9	7.9	7.9	10.9	Sept. 26
Mercury*	$1,000	7.9	7.9	7.9	10.9	Sept. 26
Continental, Mark VII	$1,500-$2,000					Sept. 26
Ford Motor Co. (1991 models)						
Crown Victoria	$750	7.9	7.9	7.9	10.9	Sept. 26
Grand Marquis	$1,000	7.9	7.9	7.9	10.9	Sept. 26

*Finance incentive is 4.8 percent for 48 months on Ford Taurus and Thunderbird and Mercury Sable and Cougar.

General Motors (1990 models)						
Buick	$500-$1,250*	7.9	7.9	7.9	10.9	Sept. 26
Riviera	$2,000	7.9	7.9	7.9	10.9	Sept. 26
Reatta	$3,000	7.9	7.9	7.9	10.9	Sept. 26
Geo cars	$500-$1,500	7.9	7.9	7.9	10.9	Sept. 26
Chevrolet cars	$500-$1,400	7.9	7.9	7.9	10.9	Sept. 26
Geo Tracker	$1,000	7.9	7.9	7.9	10.9	Sept. 26
Chevrolet trucks	$600-$1,500	7.9	7.9	7.9	10.9	Sept. 26
Lumina APV	$1,250	7.9	7.9	7.9	10.9	Sept. 26
Cadillac	$1,500-$2,000					Sept. 26
Oldsmobile	$750-$2,000	7.9	7.9	7.9	10.9	Sept. 26
Silhouette	$1,250	7.9	7.9	7.9	10.9	Sept. 26
Pontiac	$750-$2,000**	7.9	7.9	7.9	10.9	Sept. 26
Trans Sport	$1,500**					

*Based on option package selected.
**Dealers contribute $1,000 on Grand Prix, $500 on Trans Sport.

General Motors (1991 models)						
Buick Regal Sedan	$500-$1,250*	7.9	7.9	7.9	10.9	Sept. 26
Chevrolet Camaro, Caprice	$500-$1,000	7.9	7.9	7.9	10.9	Sept. 26
Chevrolet S10	$500-$1,000	7.9	7.9	7.9	10.9	Sept. 26
Pontiac Firebird	$1,000	7.9	7.9	7.9	10.9	Sept. 26

*Based on option package selected.

Hyundai (1989-90)	$500-$750	1.9	4.9	4.9	10.9	Sept. 4
Mazda (1990 models)						
323 SE	$750					Oct. 2
MX-6, 626	$500-$1,000					Sept. 5
Trucks	$750					Sept. 5
MPV	$500-$700 discount on option packages					Sept. 5
Mitsubishi (1990 models)						
Cars	$500-$2,000*					Aug. 31
Trucks	$750-$2,000*					Aug. 31

*Payments differ by regions.

Nissan (1990 models)						
Sentra	$1,000-$1,200					Oct. 2
Trucks	$1,000					Oct. 2
Sterling 1989 models	$5,000					Sept. 30
1990 models		0.9	0.0			Sept. 15
Subaru						
Justy (1989-90)	$500-$1,000					Oct. 2
Loyale (1990)	$800-$1,200					Oct. 2
Suzuki (1990 models)*						
Swift	$400-$1,500					Oct. 2
Samurai	$1,000					Oct. 2
Sidekick	$1,000-$2,500**					Oct. 2
Suzuki (1991 models)*						
Sidekick	$500-$600					Oct. 2

*Customer rebate or dealer rebate; dealer's choice
**$3,000 in California

Note: Some makers offer rebates to buyers of 1989 and 1990 models. Most of these programs are omitted from this table because of the limited number of these vehicles still in dealers' hands.

Chrysler extends spiffs to Sept. 30

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. has extended cash rebates and lowered interest rates through Sept. 30 in a mix of dealer and consumer closeout incentives on 1989 and 1990 vehicles.

The cash paybacks, ranging from $500 to $2,500, depending on the model, are unchanged for the program that expired Aug. 14 and cover all models except minivans and convertibles. Chrysler is lowering the interest rate financing it offers on some models as an alternative to cash.

Instead of the cash, buyers can choose finance rates of zero percent for contracts up to 24 months; 4.8 percent for 48 months, down from 7.9 percent offered in the previous program; and 7.9 percent for loans up to 60 months, down from 10.9 percent. These lower rates apply to the Chrysler LeBaron Coupe, New Yorker, New Yorker Salon, New Yorker Landau, New Yorker Fifth Avenue and Imperial; Dodge Daytona and Dynasty; and Jeep Cherokee and Wagoneer Ltd.

The 4.8 interest rate matches similar financing announced by Ford Motor Co. a week earlier on the 1990 Ford Taurus and Thunderbird and Mercury Cougar and Sable.

Chrysler also is offering finance rates of zero or 2.4 percent for loans up to 24 months (depending on model), 7.9 percent up to 48 months and 10.9 percent for contracts up to 60 months on all other models.

Cash rebates by model are: $2,500 on the 1989 Dodge Raider; and $2,000 on the 1989 Chrysler Conquest and LeBaron Coupe, 1989-90 Eagle Premier Limited, Dodge 1989-90 Ramcharger, 1989 Dakota (except S Model) and 1989-90 Ram D/W series pickups (except diesel and Club Cab).

Also: $1,500 on the Eagle 1989-90 Premier ES and 1990 Summit; 1989 Dodge and Plymouth Colt and Vista; 1989 Jeep Comanche (except 2wd short bed); and Dodge 1990 Monaco ES, Dakota (except S Model and Club Cab), D/W series diesel pickup and Ram Van conversion units.

Additionally: $1,000 on the 1990 Chrysler LeBaron Coupe, 1990 Imperial, 1989 New Yorker, 1990 New Yorker Salon, 1989-90 New Yorker Landau and 1990 Fifth Avenue;

1989-90 Dodge Dynasty; 1990 Monaco LE; 1989-90 Daytona ES Turbo, Daytona Shelby; 1989-90 Ram D/W series diesel pickup; 1989-90 Dakota S Model; 1990 Dakota Club Cab; 1989-90 Ram Van, Wagon; 1989 Ram 50 4wd; 1990 Dodge and Plymouth Colt (except base three-door and wagon);

1989-90 Eagle Premier LX, 1990 Summit; Jeep 1990 Comanche; 1989 Comanche 2wd short bed; 1989-90 Cherokee; 1989-90 Wagoneer; and 1989-90 Grand Wagoneer.

Also, $750 on the 1990 Chrysler LeBaron sedan; 1989-90 Plymouth Acclaim, Sundance, Horizon and 1990 Laser; 1989-90 Dodge Spirit, Shadow, Omni and Daytona base and ES models; 1989 Ram 50 2wd; 1990 Plymouth and Dodge Colt base three-door and wagon; 1990 Colt Vista; and 1990 Eagle Talon.

The rebates also include $500 on the 1989-90 Jeep Wrangler.

Chrysler also extended to Aug. 31 the $750 cash rebate to dealers on the 1989-90 Chrysler LeBaron, Dodge Shadow and Spirit, and Plymouth Sundance and Acclaim.

Other incentives expiring Sept. 30 include $2,500 on the 1990 Dodge Monaco and 1989-90 Eagle Premier base model; $4,000 on the 1989-90 Jeep Grand Wagoneer; and $500 on 1989-90 Cherokee Ltd. and Wagoneer Ltd.

INCENTIVE WATCH

DEALER INCENTIVES

	Rebate	Expiration Date
Chrysler Corp. (1989-90 models)		
LeBaron, Shadow, Spirit, Sundance, Acclaim	$750	Aug. 31
Monaco (1990 model)	$2,500	Sept. 30
Premier (1989-90 base models)	$2,500	Sept. 30
Cherokee Ltd., Wagoneer Ltd., Grand Wagoneer (1989-90 models)	$500-$4,000	Sept. 30
Ford Motor Co. (1990 models)		
Taurus SHO	$2,000	Sept. 26
Topaz, Sable, Cougar	$300-$1,500, quota (only in New York, New Jersey, New England)	Sept. 26
Crown Victoria	$300	Sept. 26
Town Car	$1,500-$2,500 based on number sold	Sept. 26
Continental Mark VII	$1,000-$2,000 based on number sold	Sept. 26
Audi (1990 models)		
100 Series	$1,500	Sept. 18
Hyundai (1989-90 models)		
Excel	$500-$750	Sept. 4
Sonata	$350	Sept. 4
Isuzu (1990 models)		
Pickup, Trooper	$700-$1,200, based on number sold	Sept. 30
Mazda (1990 models)		
929, RX-7	$500-$2,500, based on number sold	Sept. 5
Mitsubishi (1990 models)		
Cars	$200-$2,000*	Aug. 31
Trucks	$250-$750*	Aug. 31
Nissan		
Stanza (1990 models)	$100-$1,000, based on number sold	Oct. 2
Trucks (1990-91 models)	$100-$200, based on number sold	Nov. 2
Peugeot (1989 models)		
405	$2,500-$3,500	None
Saab (1990 models)		
9000 Series	$1,500-$4,000, quota	Aug. 31
Subaru (1990 models)		
Legacy	$1,500-$2,500	Oct. 2
Suzuki (1990 models)*		
Swift	$400-$1,500	Oct. 2
Samurai	$1,000	Oct. 2
Sidekick	$1,000-$2,500**	Oct. 2
Suzuki (1991 models)*		
Sidekick	$500-$900	Oct. 2
Toyota (1989-1990 models)		
Tercel, Camry, Corolla	$200-$1,200, quota	Sept. 4
Trucks	$300-$1,400, quota	Sept. 4
Volkswagen (1990 models)		
Golf	$500	Aug. 31
Fox	$750-$1,000	Aug. 31
Corrado	$1,500	Aug. 31
Volvo (1989-90 models)	$200-$900, based on number sold	Aug. 31

*Quotas apply on Eclipse and 2wd pickups in some regions.
*Customer rebate or dealer rebate; dealer's choice
**$3,000 in California

Note: Some makers offer rebates to dealers on sales of 1989 and 1990 models. Most of these programs are omitted from this table because of the limited number of these vehicles still in dealers' hands.

NAVISTAR

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be reduced from 45 to 38 trucks a day, beginning Sept. 3.

Based on these schedules, Navistar plans to produce 19,400 medium and heavy trucks during its fiscal fourth quarter, 3.96 percent fewer than it built in the same period last year.

The company cautioned that if the Middle East crisis produces a "mild recession," industry demand for medium and heavy trucks could be further depressed.

Meanwhile, sources close to Navistar said its pursuit of Mack is all but over.

Officially, a Navistar spokesman said nothing has changed since Navistar requested certain data about Mack and expressed an interest in purchasing it.

But, privately, sources close to Navistar said the Renault Vehicules Industriels lock on Mack's stock — Renault owns 46.6 percent of its common shares — has discouraged Navistar from pursuing it.

"There's not a lot of hope anything will develope from that," said one source.

For the future, Navistar is considering offering Detroit Diesel's Series 60 engine in its Class 8s.

There also has been a lot of discussion within the company about its need to move heavy-truck production out of the Springfield plant because of high operating costs there.

The opportunity to obtain Mack's new Winnsboro, S.C., was one of the reasons Navistar has been interested in acquiring Mack.

11 GM sites among idled; build down

By Karen Dotkowski
AUTOMOTIVE NEWS STATISTICIAN

Thirteen Big 3 U.S. assembly plants were idled last week due to part shortages or declines in dealer orders.

Of the six truck and seven car assembly plants shut last week, 11 are General Motors facilities.

Members of UAW Local 659 at an AC Rochester Division West plant in Flint, Mich., reached an agreement with GM last Tuesday ending a six-day strike that affected 24,740 workers.

GM truck facilities closed by the strike were Fort Wayne, Ind.; Flint, Mich.; Pontiac, Mich.; East and West; Moraine, Ohio; and Shreveport, La.

Car plants closed by the strike were Flint, Mich.; Lake Orion, Mich.; and Van Nuys, Calif.

Truck plants resumed output Thursday and Friday with the exception of Moraine, Ohio, which is scheduled to resume output today.

Car assembly plants in Flint and Lake Orion resumed Wednesday. The Van Nuys plant, closed Thursday during the first shift, is scheduled to reopen today.

A parts shortage not in conjunction with the AC West strike idled the Fairfax, Kan., plant last week. The Willow Run, Mich., plant is idled for two weeks due to a canceled export order of Chevrolet Caprices to the Middle East. Both plants will resume output Aug. 27.

Ford Motor Co. announced the idling of its Atlanta and Kansas City, Mo., plants this week and the Dearborn, Mich., plant last week due to shortages in dealer orders. The Dearborn plant will remain closed this week for a parts shortage. The Lorain, Ohio, plant has extended downtime due to a shortage of interior trim. All four plants are expected to resume output Aug. 27.

Chrysler Corp.'s No. 2 plant in St. Louis is idle this week for model changeover.

Last week automakers scheduled 111,263 units, 6.57 percent below the prior week and 11.37 percent below the year-ago week.

Truckmakers' estimated build of 57,725 units was 14.81 percent below the previous week and 24.70 percent below the year-ago week.

Last week's estimated production was split as follows: GM, 40.53 percent; Ford, 22.26 percent; Chrysler, 13.89 percent; Honda of America Manufacturing Inc., 8.08 percent; Toyota Motor Manufacturing U.S.A. Inc., 3.97 percent; New United Motor Manufacturing Inc., 3.68 percent; Mazda Motor Manufacturing Corp., 3.26 percent; Diamond-Star Motors Corp., 2.89 percent; Nissan Motor Manufacturing Inc., 0.83 percent; and Subaru-Isuzu Automotive Inc., 0.61 percent.

Canada plus on cars, trucks

Canadian automakers scheduled 14,203 units last week, 15.37 percent above the prior week.

Truckmakers targeted production of 13,165 units, 145.30 percent above the previous week.

U.S. CAR	Week Ended Aug. 18, 1990	Week Ended Aug. 19, 1989	Week Ended Aug. 11, 1990	Aug. to Date	Jan. 1 to Aug. 18, 1990	Jan. 1 to Aug. 19, 1989
Horizon	0	1,134	0	0	4,327	19,783
Sundance	2,200	1,539	2,229	5,646	50,842	67,188
Acclaim	2,300	2,972	2,221	5,663	62,963	78,567
Total Plymouth	**4,500**	**5,645**	**4,450**	**11,310**	**118,132**	**165,538**
LeBaron A	0	0	0	0	8,064	0
LeBaron J	1,300	2,636	1,360	3,240	31,326	64,446
LeBaron GTS	0	0	0	0	0	2,946
N. Yorker C-Class	500	761	551	1,299	25,999	59,721
Fifth Avenue	1,300	1,671	1,322	3,232	17,907	2,976
Imperial	50	0	17	67	12,570	0
Total Chrysler	**3,150**	**5,068**	**3,250**	**7,837**	**95,866**	**130,089**
Omni	0	1,074	0	0	4,078	21,037
Daytona	900	1,757	815	2,132	20,877	52,701
Shadow	2,300	1,524	2,394	5,953	58,329	64,002
Dynasty	2,600	1,841	2,532	6,271	70,447	88,705
Lancer	0	0	0	0	0	1,528
Spirit	2,000	1,806	1,957	4,990	58,050	65,041
Total Dodge	**7,800**	**8,002**	**7,698**	**19,346**	**211,781**	**293,014**
CHRYSLER MOTORS	**15,450**	**18,715**	**15,398**	**38,493**	**425,779**	**588,641**
Escort	6,725	8,161	6,385	16,621	137,312	202,816
Mustang	0	4,420	3,720	5,899	88,727	137,792
Tempo	3,505	2,828	3,069	8,145	86,725	95,046
Taurus	7,803	6,435	7,931	20,104	227,200	231,289
Thunderbird	0	2,679	2,699	4,493	75,112	101,500
Total Ford Div.	**18,033**	**24,523**	**23,804**	**55,261**	**615,076**	**768,443**
Topaz	895	1,413	1,050	2,789	33,369	44,700
Cougar	0	2,723	1,793	2,934	49,857	87,191
Sable	2,039	2,104	2,496	6,048	68,781	74,713
Total Mercury	**2,934**	**6,240**	**5,339**	**11,770**	**152,007**	**206,604**
Continental	1,139	1,057	1,549	3,624	38,337	42,927
Mark VII	381	0	512	1,169	14,392	13,978
Town Car	2,280	2,158	3,095	7,249	98,400	80,826
Total Lincoln	**3,800**	**3,215**	**5,156**	**12,042**	**151,129**	**137,731**
Total L-M Div.	**6,734**	**9,455**	**10,495**	**23,813**	**303,136**	**344,335**
FORD MOTOR CO.	**24,767**	**33,978**	**34,299**	**79,074**	**918,212**	**1,112,778**
Skyhawk	0	0	0	0	0	6,913
Skylark/Somerset	1,940	1,079	1,932	4,445	56,722	35,996
Century	0	2,886	0	0	41,930	82,083
Riviera	438	334	284	722	13,838	11,808
Electra/Park Ave.	2,394	1,664	1,414	3,808	24,835	48,462
LeSabre (fwd)	3,240	2,751	2,779	6,019	102,743	95,479
LeSabre (rwd)	0	0	0	0	4,022	4,102
Reatta	0	114	0	0	5,277	3,304
Total Buick	**8,012**	**8,828**	**6,409**	**14,994**	**249,367**	**288,147**
Eldorado	453	274	295	748	13,009	19,479
Seville	453	210	311	764	23,570	14,258
Brougham (rwd)	948	596	1,002	2,646	17,911	22,763
DeVille (fwd)	2,512	3,920	1,760	4,272	100,174	126,608
Allante	88	0	89	230	2,871	2,086
Total Cadillac	**4,454**	**5,000**	**3,457**	**8,660**	**157,535**	**185,194**
Cavalier	6,140	2,056	4,709	12,207	204,395	235,426
Camaro	2,165	705	2,041	5,373	44,834	64,951
Celebrity	0	0	0	0	0	70,349
Corsica/Beretta	6,160	7,342	5,069	11,872	179,333	239,589
Caprice	0	2,704	5,330	9,133	161,072	116,543
Corvette	0	97	0	0	14,645	16,306
Total Chevrolet	**14,465**	**12,904**	**17,149**	**38,586**	**604,279**	**743,164**
Calais	2,140	1,192	2,136	4,931	64,657	57,685
Cutlass Ciera	0	1,309	0	0	48,972	58,574
Cutlass Supreme	1,500	2,688	1,369	4,076	56,493	56,780
Toronado	276	4	176	452	9,961	4,899
88 (fwd)	2,213	1,831	2,003	4,216	66,355	90,087
88 (rwd)	0	104	0	0	1,214	5,243
98	96	1,287	0	96	32,880	46,604
Total Oldsmobile	**5,225**	**6,415**	**5,684**	**13,771**	**280,532**	**319,872**
Sunbird	4,000	1,413	4,030	9,815	96,981	92,179
Grand Am	4,800	4,603	4,663	11,697	129,772	153,186
Firebird	1,085	563	1,183	3,033	27,632	35,791
Grand Prix	0	3,228	0	331	72,996	77,763
Pontiac 6000	0	1,650	0	0	36,411	53,073
Bonneville	2,062	2,098	1,506	3,568	50,091	58,140
Safari/Parisienne	0	0	0	0	0	2,691
Total Pontiac	**11,947**	**13,555**	**11,382**	**28,444**	**413,883**	**472,283**
GENERAL MOTORS	**45,183**	**48,782**	**44,881**	**104,455**	**1,795,596**	**2,099,188**
DIAMOND-STAR	**3,211**	**2,706**	**3,236**	**8,184**	**82,351**	**38,899**
HONDA	**8,998**	**7,114**	**9,127**	**23,823**	**276,392**	**241,698**
Civic	2,040	1,266	2,029	5,293	73,981	81,800
Accord	6,950	5,848	7,098	18,330	202,411	159,858
MAZDA†	**3,627**	**3,850**	**3,368**	**9,021**	**109,221**	**128,486**
NISSAN	**920**	**2,565**	**206**	**1,296**	**32,396**	**74,114**
NUMMI	**4,199**	**4,123**	**4,199**	**10,823**	**134,529**	**131,413**
Corolla	2,100	1,719	2,172	5,576	67,742	53,136
Geo Prizm/Nova	2,000	2,404	2,017	5,247	66,787	78,277
SUBARU-ISUZU	**675**	**0**	**644**	**1,682**	**17,048**	**0**
TOYOTA	**4,428**	**3,778**	**4,457**	**11,432**	**137,987**	**82,441**
TOTAL CARS, U.S.	**111,263**	**125,549**	**119,987**	**287,975**	**3,809,819**	**4,497,729**
TOTAL CARS, CANADA	**14,203**	**17,656**	**12,311**	**34,837**	**649,718**	**613,724**
U.S., CANADA CARS	**125,466**	**143,196**	**131,298**	**322,811**	**4,509,736**	**5,021,444**
U.S., CANADA CARS AND TRUCKS	**196,256**	**236,852**	**204,522**	**513,198**	**7,576,666**	**8,363,994**

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes MX-6, 626, and Ford Probe
*—Estimated

CANADIAN CAR	Week Ended Aug. 18, 1990	Week Ended Aug. 19, 1989	Week Ended Aug. 11, 1990	Aug. to Date	Jan. 1 to Aug. 18, 1990	Jan. 1 to Aug. 19, 1989
Monaco	400	0	394	885	6,532	0
Premier	875	1,276	846	2,271	7,747	25,965
CHRYSLER MOTORS	**1,275**	**1,276**	**1,240**	**3,156**	**14,279**	**25,965**
Tempo	0	3,286	2,286	4,110	74,807	81,776
Topaz	0	1,388	1,346	2,087	27,621	34,688
Crown Victoria	2,705	2,554	1,911	6,283	77,043	78,125
Grand Marquis	3,155	2,637	2,296	6,842	68,886	83,857
FORD MOTOR CO.	**5,860**	**9,865**	**7,839**	**19,323**	**248,357**	**278,446**
Celebrity	0	0	0	0	20,319	15,231
Cutlass Ciera	0	0	0	0	53,487	95,976
Lumina	1,797	3,996	0	1,797	134,017	87,613
Regal	1,251	280	0	1,251	58,433	43,944
GENERAL MOTORS	**3,048**	**4,276**	**0**	**3,048**	**266,256**	**242,764**
HONDA	**2,150**	**1,758**	**1,674**	**5,114**	**65,903**	**52,439**
HYUNDAI	**720**	**0**	**536**	**1,256**	**12,499**	**0**
TOYOTA	**1,150**	**481**	**1,022**	**2,941**	**37,171**	**8,923**
VOLVO	**0**	**0**	**0**	**0**	**5,253**	**5,187**
TOTAL CARS, CANADA	**14,203**	**17,656**	**12,311**	**34,837**	**649,718**	**613,724**

U.S. TRUCK	Week Ended Aug. 18, 1990	Week Ended Aug. 19, 1989	Week Ended Aug. 11, 1990	Aug. to Date	Jan. 1 to Aug. 18, 1990	Jan. 1 to Aug. 19, 1989
Caravan	0	1,702	0	0	67,046	66,533
Dakota	1,400	1,975	1,374	3,535	42,991	61,706
Caravan C/V	0	80	0	0	4,171	4,664
Ram pickups	2,100	1,989	2,086	5,271	63,618	61,817
Total Dodge	**3,500**	**5,746**	**3,460**	**8,806**	**177,826**	**194,720**
Cherokee	3,200	4,017	2,457	5,657	95,847	142,122
Comanche	200	464	169	369	4,610	18,967
Grand Wagoneer	300	325	252	552	4,322	7,489
Wagoneer	50	103	63	113	2,298	5,317
Total Jeep	**3,750**	**4,909**	**2,941**	**6,691**	**107,077**	**173,895**
Voyager	0	1,591	0	0	62,823	62,533
Town & Country	0	182	0	0	2,078	2,016
Total C-P Div.	**0**	**1,773**	**0**	**0**	**64,901**	**64,549**
CHRYSLER MOTORS	**7,250**	**12,428**	**6,401**	**15,497**	**349,804**	**433,164**
Aerostar	3,498	3,701	4,625	11,465	129,966	147,195
Bronco	989	1,458	985	2,569	33,303	50,119
Bronco II/Explorer	4,343	2,245	4,748	12,546	114,081	77,833
Econoline	4,212	4,158	4,168	10,806	124,153	149,617
Mediums/Heavies	1,146	0	1,167	3,137	34,722	39,861
Light trucks	10,454	9,845	10,871	26,819	290,043	340,894
Ranger	4,704	6,070	5,512	13,742	180,767	204,572
Total Ford Div.	**29,346**	**27,477**	**32,076**	**81,084**	**907,035**	**1,008,091**
FORD MOTOR CO.	**29,346**	**27,477**	**32,076**	**81,084**	**907,035**	**1,008,091**
Astro	2,487	2,044	2,933	7,231	80,232	106,475
Blazer	269	0	359	857	11,403	0
Lumina APV	0	543	0	0	58,553	18,493
Mediums/Heavies	415	348	525	1,119	5,941	7,026
P-Model	0	0	0	0	15,501	20,749
Pickups	4,270	8,494	3,928	13,411	258,506	261,858
S-10	868	5,208	4,301	7,908	148,963	174,593
S-10 Blazer	815	3,475	2,788	6,086	63,293	127,336
Sportsvan/Van	649	1,811	0	649	38,437	63,739
Suburban	1,131	1,455	1,593	3,706	45,100	51,629
Total Chevrolet	**10,904**	**23,378**	**16,427**	**40,968**	**725,929**	**829,179**
Jimmy	82	167	105	259	3,523	5,471
Mediums/Heavies	608	561	537	1,426	6,751	11,628
P-Model	0	0	0	0	2,063	2,916
Pickups	939	2,774	1,028	2,667	91,474	77,921
S-1/Sonoma	100	899	482	1,349	33,999	39,805
S-15 Jimmy	50	1,354	870	1,584	21,298	35,640
Safari	732	568	854	2,072	28,834	27,717
Suburban	627	673	736	1,766	22,466	20,220
Vandura/Rally Vans	247	645	0	247	14,376	18,000
Total GMC	**3,385**	**0**	**4,612**	**11,370**	**224,784**	**0**
Olds Silhouette	0	0	0	0	23,636	0
Pontiac Trans Sport	0	7,641	0	0	36,842	233,377
GENERAL MOTORS	**14,289**	**31,019**	**21,039**	**52,338**	**1,011,191**	**1,091,568**
NAVISTAR	**0**	**0**	**1,983**	**2,587**	**46,238**	**52,138**
NISSAN	**2,458**	**0**	**2,351**	**5,443**	**32,421**	**0**
SUBARU-ISUZU	**948**	**2,298**	**837**	**2,270**	**18,264**	**77,479**
AM GENERAL*	**458**	**458**	**458**	**1,178**	**14,498**	**14,498**
MISCELLANEOUS*	**3,000**	**3,000**	**3,000**	**7,000**	**96,000**	**98,000**
TOTAL TRUCKS, U.S.	**57,725**	**76,000**	**67,757**	**169,198**	**2,536,943**	**2,737,518**

CANADIAN TRUCK	Week Ended Aug. 18, 1990	Week Ended Aug. 19, 1989	Week Ended Aug. 11, 1990	Aug. to Date	Jan. 1 to Aug. 18, 1990	Jan. 1 to Aug. 19, 1989
Caravan	912	2,726	351	1,276	83,993	89,437
Caravan C/V	0	164	0	0	5,610	7,488
Ram Wagon	1,558	658	1,155	2,715	16,964	16,654
Ram Van	346	1,706	145	491	34,253	42,878
Total Dodge	**2,816**	**5,254**	**1,651**	**4,482**	**140,820**	**156,457**
Voyager	825	2,150	295	1,131	66,889	79,474
Total Plymouth	**825**	**2,150**	**295**	**1,131**	**66,889**	**79,474**
Wrangler	1,332	1,839	1,100	2,951	36,385	51,290
Total Jeep	**1,332**	**1,839**	**1,100**	**2,951**	**36,385**	**51,290**
CHRYSLER MOTORS	**4,973**	**9,243**	**3,054**	**8,564**	**244,094**	**287,221**
FORD MTR. (R. Wis.)	**3,312**	**2,799**	**2,141**	**7,328**	**88,464**	**106,762**
Light trucks	3,480	3,001	0	3,480	105,838	99,922
Vans	0	173	0	0	31,928	36,804
Total Chevrolet	**3,480**	**3,174**	**0**	**3,480**	**137,766**	**136,726**
Light trucks	1,400	1,723	0	1,400	41,132	44,629
Vans	0	97	0	0	13,309	18,088
Total GMC	**1,400**	**1,820**	**0**	**1,400**	**54,441**	**62,717**
GENERAL MOTORS	**4,880**	**4,994**	**0**	**4,880**	**192,207**	**198,443**
NAVISTAR	**0**	**0**	**172**	**386**	**6,124**	**7,894**
TOTAL TRKS. CANADA	**13,165**	**15,036**	**5,367**	**21,270**	**531,889**	**605,819**
U.S., CANADA TRKS.	**70,890**	**91,036**	**73,124**	**190,367**	**3,067,832**	**3,343,389**

*—Estimated
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.